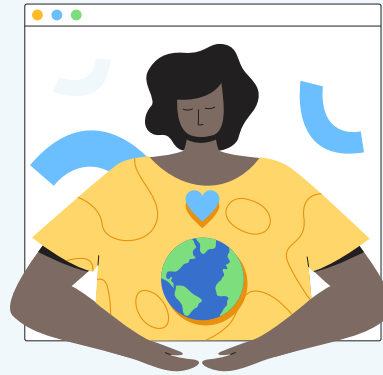


Charity Digital Skills Report 2023



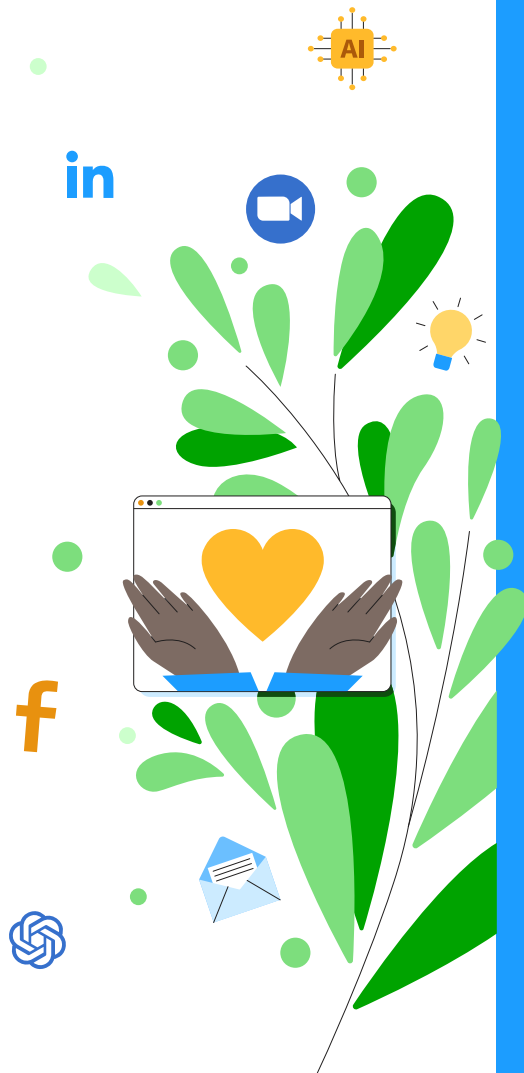


Charity Digital Skills Report 2023

#CHARITYDIGIREPORT



Contents



Introduction



Introduction

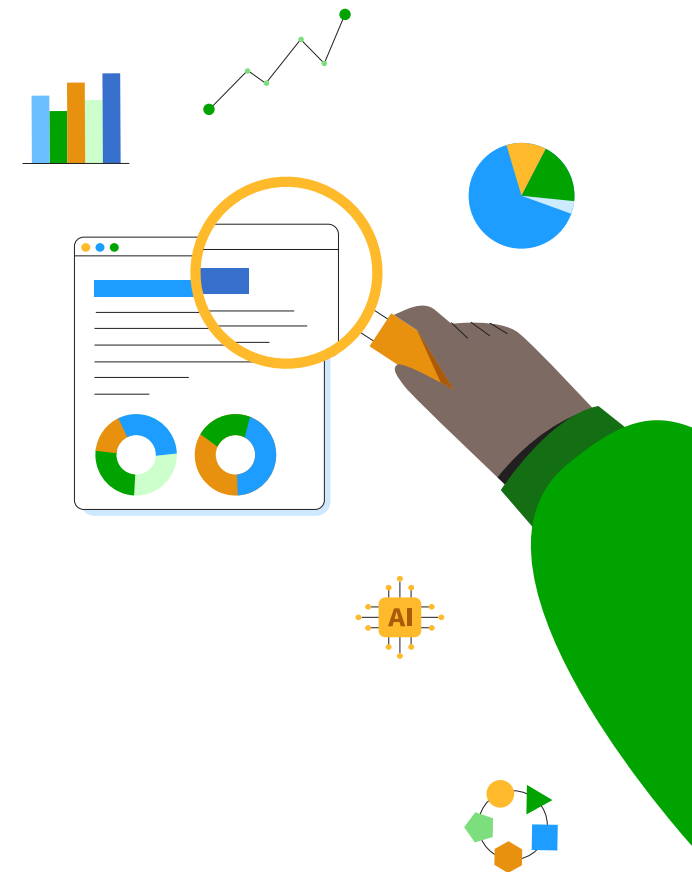
The Charity Digital Skills Report 2023 marks three years since the sector went into lockdown, triggering a wave of remote working, digital service delivery and online fundraising. Between 2020 and 2021, we saw positive changes in how charities were using digital and learned about the impact that strategy, leadership, skills and trustees were having on digital progress.

This year, we are all grappling with the cost of living crisis. In our latest report, we explore the effect this is having on charities and their digital journey. We wanted to find out if financial constraints were holding charities back from investing further in digital, or whether the crisis had encouraged them to explore the potential for efficiencies that digital offers.

The other big change of 2023 has been the rapid development of generative artificial intelligence (AI) tools such as ChatGPT, Google Bard and Microsoft Copilot. Since closing our survey in the spring, we have seen an explosion of interest in AI, with many charities asking what this could mean for them, how they could use these tools and whether they should. We responded by running a flash poll to understand charities' attitudes to AI, how they are preparing for the changes it will bring and what actions they have taken so far. We have presented these findings in this report, alongside the findings from our survey.

This year, we decided to take a fresh approach to diversity, equality and inclusion. One of the key aims of our survey is to identify what support and funding the sector needs in order to move forward with digital. We knew that in order to make this meaningful, it had to be inclusive. We wanted to find out if specific marginalised groups in the sector had experienced barriers to funding and support, drawing on broader trends about access to funding for diverse communities that came to light during the pandemic. We are very grateful to our consultant [Eshe Kiama Zuri](#) for their guidance and challenge on this, and their support with outreach.

Since we began The Charity Digital Skills Report in 2017, it has become the annual barometer of digital skills, attitudes and support needs across the sector. We are extremely grateful to all the charities and social sector organisations who have taken the time to respond to the survey and to spread the word about it. Every single one of your responses helps us build a picture of how the sector is changing. Your insights have helped us understand the impact that leadership, skills, governance and strategy are having on your digital growth. We hope it helps you benchmark and reflect on where you are with digital.



Our report aims to:

- Track charities' changing digital priorities post-lockdown and during the cost of living crisis.
- Understand key trends in how charities' use of digital is evolving.
- Identify the support and funding charities need to progress with digital, including any barriers facing marginalised groups, so that we can make the case for change.
- Measure where charities have skills gaps and what they need to grow their digital knowledge and confidence.

We are grateful to be working as part of [Catalyst](#) again on the report. Catalyst is a collective of individuals and organisations (like nonprofits, funders, agencies and freelancers) helping UK civil society grow in digital. They are building an ecology of interconnected support initiatives, shared infrastructures, learning networks and community spaces that help charities and civil society organisations harness the power of digital, data and design to respond to the changing needs in their communities.

It is positive to see that, three years on from the first lockdown, many charities still see digital as a key priority. However, we can also see from our data how some of the gaps we have seen in the survey year-on-year since 2017 haven't changed. These include funding, leadership and low digital skills on boards. It is worrying that there has not been much movement in these areas since our report began.

The need to close these gaps is now more urgent due to the rapid developments in AI. Charities will need trustees and staff with strong levels of digital skills, a clear vision from their leaders and funding to capitalise on the opportunities and mitigate the risks and renewed ethical challenges that come with emerging technologies. And the speed at which AI is developing could mean that we have less time to do it. As a sector, we may need to run faster to catch up with where we need to get to.

This year, we're delighted to provide detailed insights about specific groups of charities. In the report you'll find dedicated sections on small charities, Wales, Scotland and for charities led by or supporting specific marginalised groups. We are starting to make the case for where targeted funding and support is needed most. We hope this helps to build a picture of the varied digital progress happening across the sector. In turn, we want to inspire those providing funding and support to explore what their key audiences need to move forwards.

Thank you for supporting our report.

Zoe Amar and Nissa Ramsay



We'd love to hear what you think about the report, how you are using the findings and how we might build on this next year in our [feedback form](#).

Background to the research

Our survey was open from 16th March 2023 to 2nd May 2023 and we are extremely grateful to the 504 professionals who took the time to respond this year.

Every year, we work hard to make our survey representative of the huge range of organisations across the UK charity sector and their varied experiences with digital. Our survey also aims to highlight the support and funding the sector needs to progress with digital. In this section of our report, we set out which groups responded and which didn't.

Equality, diversity and inclusion (EDI)

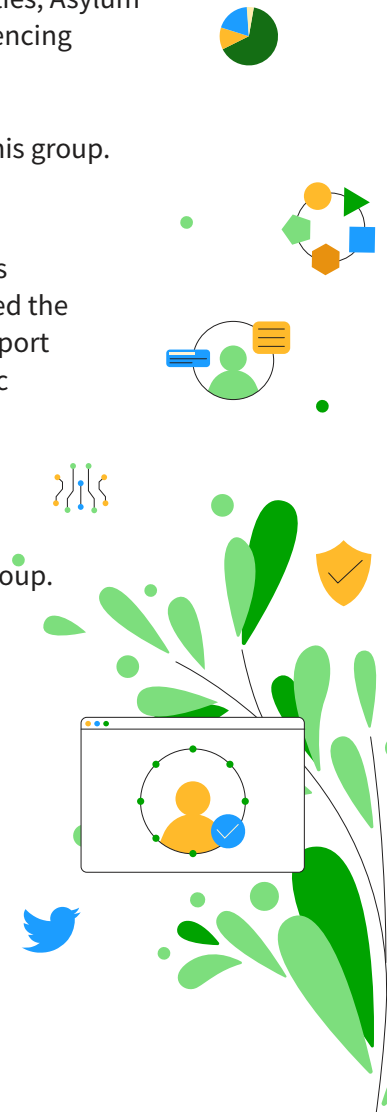
In last year's report, we used the [DEI Data Standard](#) high level definitions to capture monitoring data and target our outreach. This helped us understand that we lacked representation from specific groups.

This year, we felt it would be most useful to the sector if we built on existing hypotheses about groups that needed specific support. These included campaigns such as [CharitySoWhite](#) and [Charity SoStraight](#), which highlight the impact of institutional racism, power and inequality in the charity and funding sector. Working closely with our EDI consultant, we focused on identifying and establishing the needs of a small number of specific groups from the survey. [Read more about our definitions in this blog post.](#)

We are pleased to have reached over 40 responses for each of the following groups. We have limited responses from organisations led by other racialised communities, Asylum seekers, refugees and migrants (16), LGBTQIA+ people (29) or people experiencing domestic violence and abuse (9). We need to build on this in future reports.

- **Black communities:** 9% (41) are black-led and 14% (67) are supporting this group.
- **Other racialised communities:** 13% (64) are supporting this group.
- **d/Deaf, disabled and/or neurodivergent people:** 12% (56) are led by this group and 24% (117) are supporting them. Note in the survey itself we used the term 'neurodiverse'. We have replaced this with 'neurodivergent' in the report following further feedback, making it clear that we are referring to specific neurodevelopmental conditions (for example, autism or ADHD).
- **Marginalised genders:** 8% (38) are led by this group and 11% (52) are supporting them.
- **Asylum seekers, refugees and migrants:** 14% (67) are supporting this group.
- **People experiencing domestic violence and abuse:** 11% (56) are supporting this group.
- **LGBTQIA+ people:** 10% (47) are serving this group.

We have included an analysis of their digital skills, priorities, challenges and funding needs in the report. We also publish data tables for all questions for each group on [our website](#).



About our sample

This year, we are pleased to be able to represent a wide range of organisations within our 504 responses. You can see our definitions below.

- **Small organisations:** 73% (360 organisations) have an income of up to £1 million, compared to 62% in 2022.
 - **Different digital stages:** 52% are early stage (compared to 43% in 2022), whilst 48% are advanced (compared to 56% in 2022).
 - **Organisations led by lived experience:** Over half (56%) say they are led by people with lived experience of the issue they address.
 - **Infrastructure and support organisations:** 7% (34) say they typically describe themselves as an infrastructure/second tier organisation (supporting other organisations). However, a higher proportion of organisations (15%, 73 organisations) also say 'we provide infrastructure, network, support and services to other organisations'. This distinction will be interrogated in future surveys.
 - **Different business models:** 80% are a registered charity, whilst 85% describe themselves as a charity. 18% are companies limited by guarantee. It is also worth noting that 71 charities (14%) describe themselves as a social enterprise, whilst 35 charities say they are a community business (7%).
- **Wales:** We have a good representation of those based in Wales for the first time this year (the survey was made available in Welsh), with 42 responses.
 - **Scotland:** This year, 49 respondents are based in Scotland (compared to 30 in 2022).
 - **England regions:** We have good representation across England, with the most significant in London (142), South West (58), North West (48) and South East (46). We have combined some regions to aid the analysis (noting that charities will work across multiple regions).
 - **London (142)**
 - **Midlands (51):** West Midlands (33) and East Midlands (19)
 - **South (125):** East of England (21), South West (58), South East (46)
 - **North (101):** North West (48), Yorkshire and the Humber (25), North East (28)

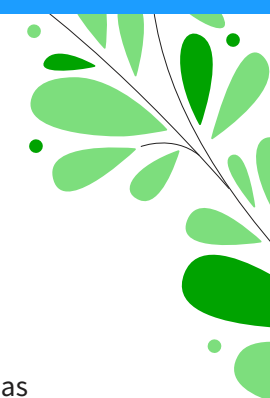
It is important to note that we have very few responses from those based in Northern Ireland (6). The report is only representative of charities in England, Wales and Scotland.

Behind the scenes — give your feedback

Every year, we review and redesign the Charity Digital Skills Survey. We consult stakeholders who use the findings, review recent research, reflect on our own experiences working with charities and undertake user research and user testing. We'd love to hear what you think too. Please fill in our [feedback form](#) at any time (it's always open) to tell us what you think or any ideas you have.

Dig in to the data yourself

We publish all of our data tables for you to download [here](#) or find them on our website under '[resources](#)'. You'll find all the responses for each specific group of charities we include in the report.



Our definitions

Digital

We ask about digital in a holistic way. We cover specific digital skills and tools, IT systems, data and digital services. We also include general digital skills at board and CEO level, digital culture and ways of working.

Size

Small charities

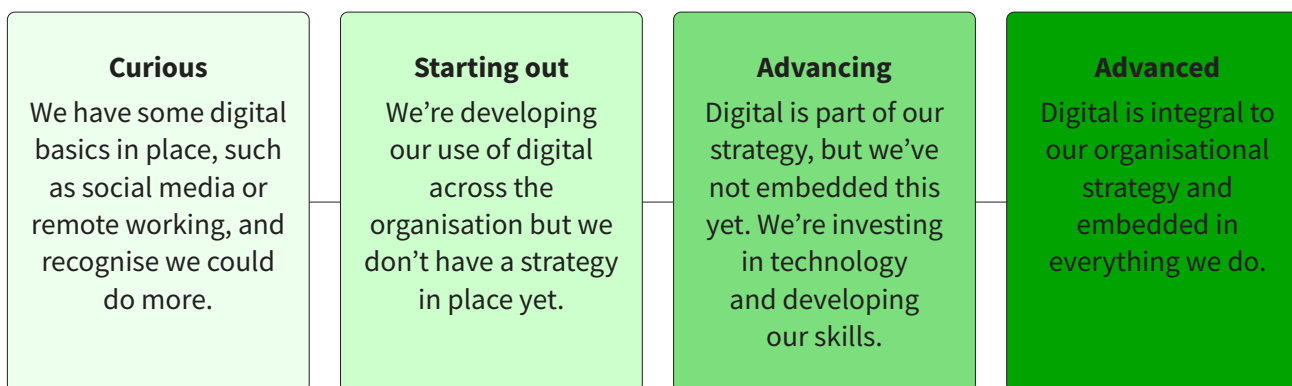
Respondents specifying an annual turnover of **up to £1 million**.

Large charities

Respondents specifying an annual turnover of **£1 million or more**.

Stage

We asked charities to select which stage of digital development was the best fit for them from the following statements. We found a clear relationship between digital stage and digital skills responses, showing that the classification is relevant and meaningful to respondents.



Charities

We use the term charity in this report as shorthand to refer to the range of nonprofit and social sector organisations completing the survey, rather than to refer solely to registered charities (which make up 80% of respondents).

Led by lived experience

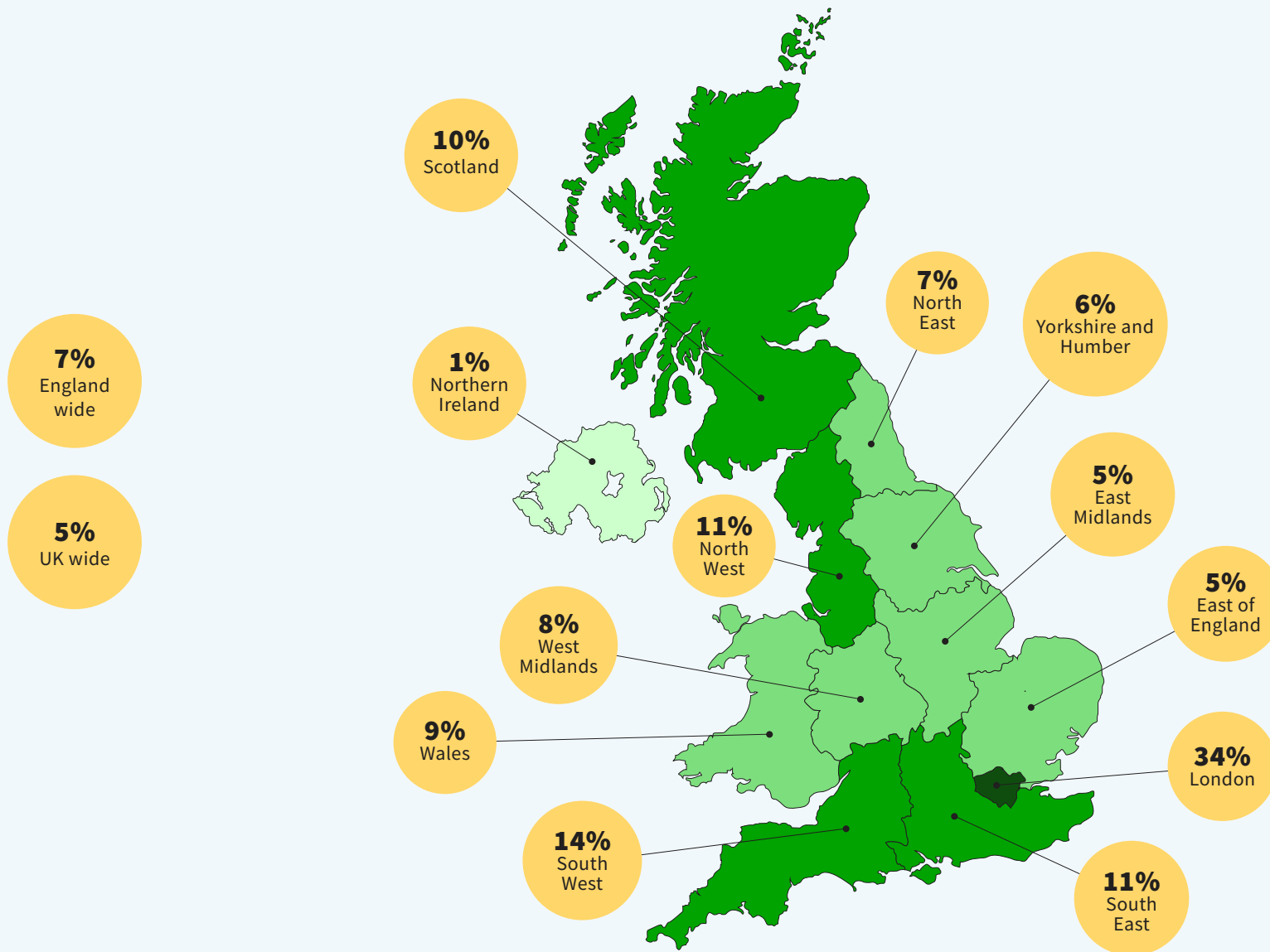
When at least 75% of the board and 50% of senior management identify with a specific group, community or social experience. This is connected to the core purpose of the organisation.

Rounding data

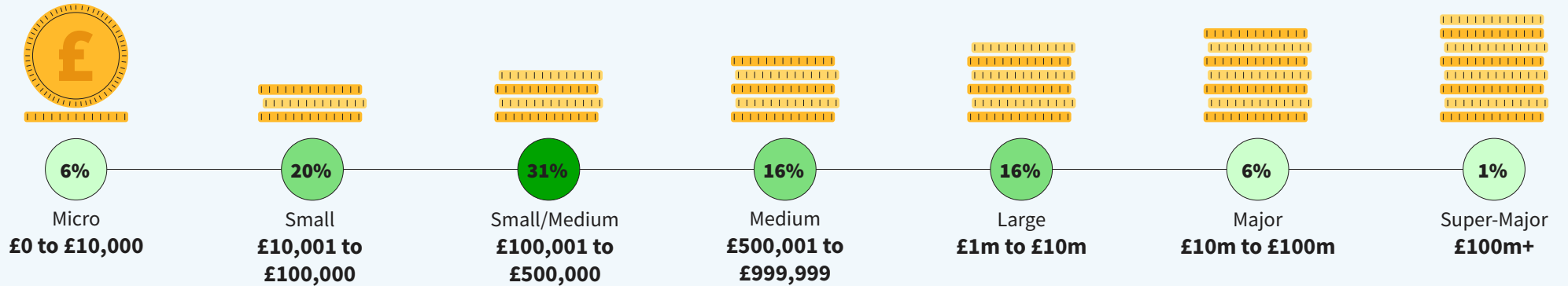
All survey data was rounded up to the nearest whole number. Percentages may not total 100 due to this rounding up.

Overview of survey respondents

504
responses

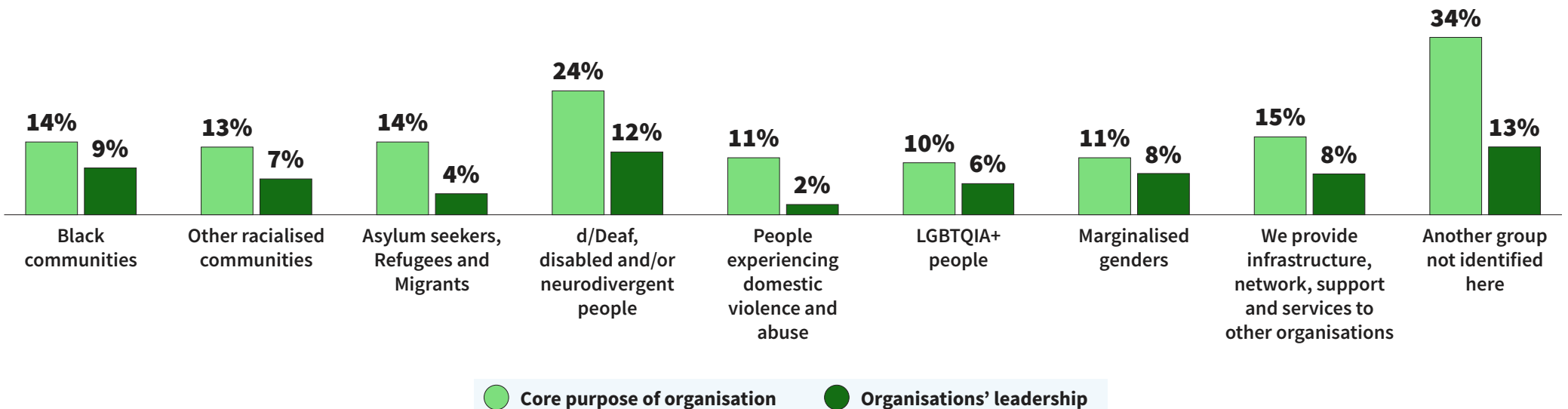


Charity income



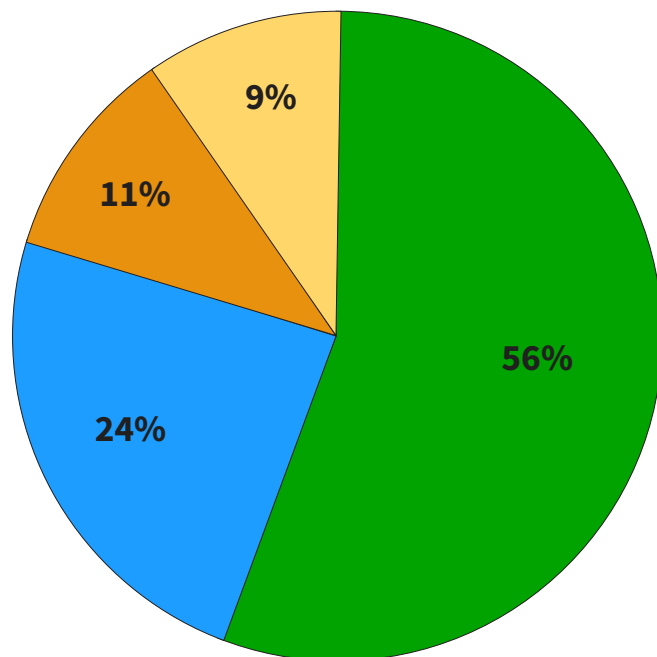
3% didn't know or preferred not to say





Equality, diversity and inclusion



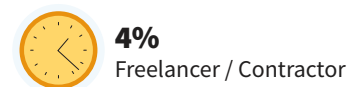
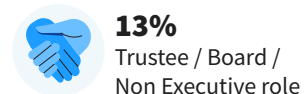
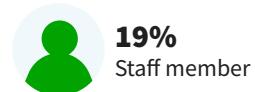
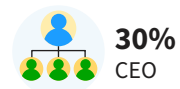
Lived-experience leadership

Organisation led by people with lived experience of the issue/s addressed

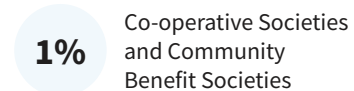
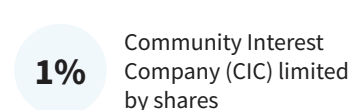
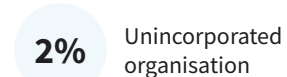
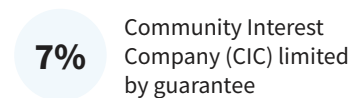
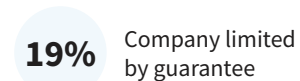
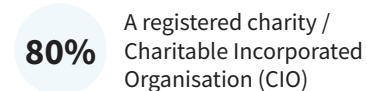


-  Led by people with lived experience of the issue/s addressed
-  Led by people without lived experience of the issue/s addressed
-  Not applicable
-  Not sure

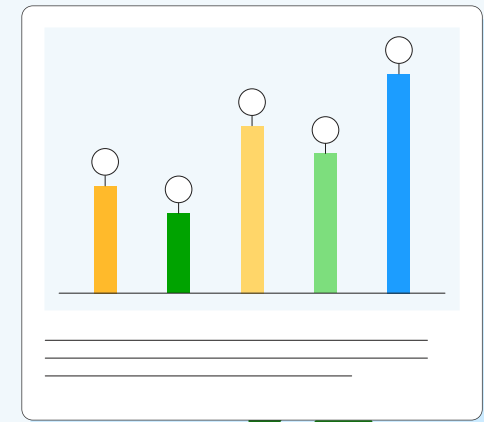
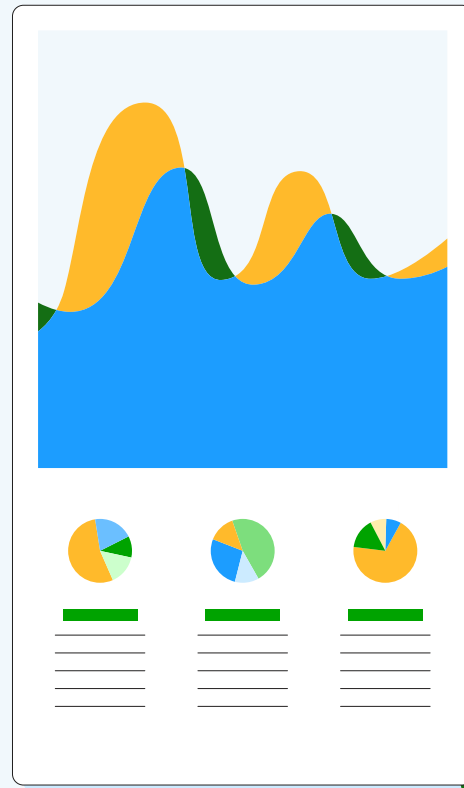
Roles



Legal status



Key findings



Key findings

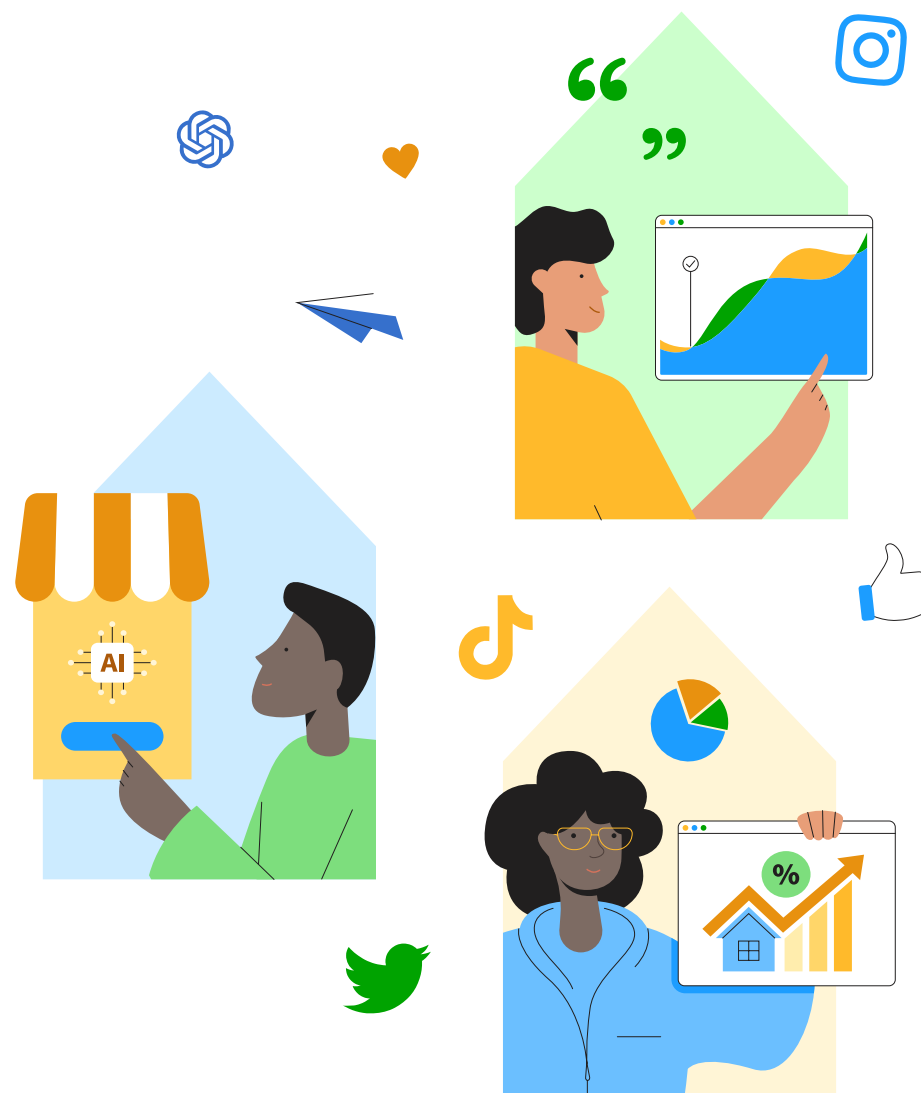
Following the digital upheaval of the last three years, 2023's findings show how digital adoption is evolving across the sector, along with the impact that changes such as the cost of living crisis and the growth of emerging technologies are having on the sector.

The cost of living has become a significant issue for the digital progress of some charities, meaning that there is less to spend on tools and upskilling. This is particularly acute for those at an early stage with digital. Yet in a positive development, the crisis has also encouraged some charities to explore how to use digital to create more efficiencies.

The rapid growth of AI has been one of the biggest news stories of the last year. Our findings about AI and emerging technologies show that charities are very interested in the potential of these tools, but are not ready to respond. Charities will need to grow their digital skills across boards and staff teams to make the most of these opportunities, as well as improve how they collect and analyse data. All of these areas are currently gaps across the sector. Grantmakers, like charities, will need to keep pace with emerging technology and prepare for the opportunities and consequences this may bring.

It's great to see more small charities say they are advancing and advanced with digital, although larger charities still are further ahead. We can also see wide ranging digital skills and priorities across different countries, regions and groups of charities.

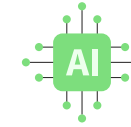
This year, charities' needs for digital funding have increased significantly, but this need is not being met by many funders. We encourage funders to review the digital funding and support needs that charities have raised in our report with the charities they fund. There is no one size fits all approach and all funders can take small steps to better support charities with digital. Moving forwards with digital is as much about people as the tools and tech.





Cost of living

- 27% see the cost of living crisis as being a significant challenge to how they are using digital.
- 3 out of 10 are spending less money on digital tools, 17% are spending less on upskilling staff and volunteers and 10% are shelving internal digital projects.
- Recruitment has been impacted for some charities, with 9% freezing recruitment or having less digital roles.
- The cost of living crisis is having a greater effect on organisations that were already early stage with digital. Digital capacity has remained the same for 66% of those advanced and 48% of those advancing, compared to 40% of those starting out and 38% of those at the curious stage.
- Close to 4 out of 10 (39%) are exploring how to use digital to work more efficiently and effectively.
- It's surprising that more charities aren't utilising digital's potential to save them money and time. Only 18% are delivering more of their work and services using digital tools, just 13% are implementing more remote working to reduce office costs and 12% are developing new digital services to help with the crisis response.



Artificial intelligence

From our additional poll of 100 charities, we found that:

- Just over 1 in 4 (27%) are using AI. A similar number (26%) are not using it yet, but are planning to.
- The majority of charities (78%) agree that AI is relevant to their charity and could transform it, yet 73% say they don't feel prepared to respond to the opportunities and challenges it brings.
- 52% want to look into AI more but are constrained by lack of time, resources and skills, whilst 42% are trying to get colleagues to engage.
- However, more than a third (35%) are already using AI for certain tasks. Encouragingly, some charities are also taking action to improve their readiness for AI, with 30% improving data maturity, 26% exploring how to use AI strategically and 18% testing tools to develop knowledge and skills.
- 64% of large charities are currently using or plan to use AI in their day-to-day operations, compared to 44% of small charities. This indicates how AI could potentially create inequalities if larger charities are more likely to benefit from it.



Other emerging emerging tech trends

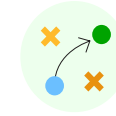
In our wider survey charities told us that:

- More than half (56%) say they are poor at keeping up to date with digital trends such as TikTok and ChatGPT.
- Spending less time on administrative tasks is a growing need for charities, at 37% compared to 31% last year. This may be where tools such as ChatGPT and increased automation could help charities.
- Two thirds of charities (66%) are interested in making the best use of emerging tech such as AI and ChatGPT, indicating the potential for use of these tools across the sector. Only 15% were interested in emerging technologies in 2022.
- Almost a third (32%) are keeping an eye on the impact of automation on staff and their jobs.



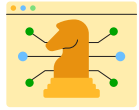
Remote work

- Supporting staff wellbeing whilst working remotely has become less of a priority, declining from 35% last year to 23%. This may indicate increased confidence with remote work.
- 65% of charities have a hybrid working model (remote and office based), slightly more than the 62% last year.
- 23% are all working remotely and do not have an office or shared physical space.
- There are significant differences by size, with 54% of the smallest charities (income up to £100,000) working remotely, compared to 16% of those with an income of £100,000 to £500,000 and only 5% of large charities (over £1 million).



Strategy

- Nearly half (48%) have a strategic approach to digital, which is, worryingly, less than the 56% who had this in 2022.
- Three quarters (78%) of charities say that digital is more of a priority for their organisations.
- 41% want to develop a strategic approach to digital whilst 39% see responding to emerging digital trends and opportunities as a priority, neither of which has changed much since 2022.
- Just over a third of charities (34%) say they are poor at investing in digital effectively.



Future digital plans

- 8 out of 10 (79%) of charities see improving their website, digital presence or social media as the greatest priority for the next year.
- 40% want to improve their brand and profile, falling from last year (47%).



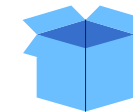
Digital funding

- The biggest challenge facing charities is funding. Nearly half of charities (49%) urgently need funds for devices, software and infrastructure. This has risen from 40% last year. 38% also say that they have accessed grant funding for these costs. The data shows how this need is becoming increasingly critical to the sector.
- 46% apply for grants to cover digital costs of any kind from charitable trusts and foundations. We asked this group further questions about funding (percentages are from 214 responses).
- More charities are saying their digital funding needs have increased this year. In 2022, 33% said that their needs had increased significantly, compared to 41% this year. 46% rely on grants from funders to cover digital costs.
- In terms of funding accessed, almost 4 out of 10 (38%) have obtained grant funding for laptops and other devices, whilst 1 in 4 (25%) have had funding for software and subscriptions, and 12% for a new CRM. Just over 1 in 5 (21%) have had funding for developing their website and 18% for digital service delivery. However, only 5% found funding for user research.
- More charities than last year are struggling to access funding because it is designed for digital service innovation (38% compared to 29% last year).
- The theme of charities feeling frustrated about lack of funding for core digital costs has continued from last year, with 36% worried that they can't include staff time for core digital roles, 31% unable to include general digital costs such as software licences, and 27% not able to include IT costs.
- What charities need funding for most is time and support to develop a strategic approach to digital. This need has grown over the last year from 38% last year to almost half (45%) this year.
- Over a third (37%) need funding for computers, devices, IT and infrastructure. This is a similar number to last year, showing that this is a key area of demand from funders.
- Charities need funding for skills, including training staff and volunteers (36%) and bringing in external expertise (35%). The latter need has grown from 25% last year, showing the need for access to advice.



IT and infrastructure

- A third (32%) of charities feel that their spending on digital and IT is ad-hoc, an increase on 30% in 2022, whilst just over 1 in 5 (22%) find their IT provision (technical support, hardware and internet access) a challenge.
- Improving data security, privacy and GDPR compliance has become more of a priority since 2022. 46% of charities now see this as a priority compared to 35% last year. Similarly 4 out of 10 (45%) want to invest in their digital or data infrastructure or systems, compared to 33% last year.
- 34% say that their IT provision is good, well managed and does not get in the way of what they need to do. 1 in 5 (20%) say it is poor and a regular headache.
- More than half of charities (54%) are facing significant challenges with their CRM and 33% are finding their fundraising database challenging.
- 39% are finding their website challenging, compared to the 51% who were looking to review their website last year.
- IT provision poses a bigger challenge to those at the earliest stages of the journey. 33% of those at the curious stage say their IT is poor, compared to 26% of those starting out, 13% of those advancing and 6% of advanced.



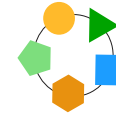
Products and services

- This year, there looks to be less digital service provision by charities, with just under half (46%) delivering services in-house or via third-party platforms. This is a significant and noteworthy drop from 73% in 2022.
- Just over a third (39%) want to improve or scale their digital services, which has remained a similar level of priority since last year.
- There is room for improvement with charities' use of digital service delivery, with nearly a third rating themselves as poor (28%).
- Almost 1 in 4 (24%) are excellent at product management.
- There's scope to improve charities' agile ways of working and development, with 38% rating themselves as fair and 35% as poor.
- Similarly, there's room for improvement in following service design approaches, with 41% rating themselves as fair and 30% as poor.
- Almost a third (31%) often use existing tools and other no code platforms to develop services, although this is slightly less than the 37% who did this frequently last year.
- However, 44% never make digital solutions available to others, which is slightly less than the 51% in this category last year but still a missed opportunity. Similarly, 24% never share learning about their digital work openly.



Digital inclusion

- 14% are worried about excluding people from digital services (26% in 2022), whilst 13% find getting their clients online challenging (20% last year). This may be connected to fewer charities offering digital services.
- Supporting clients with digital skills is a top priority for half of black-led charities (51%), as well as 42% of those supporting black communities, other racialised communities and asylum seekers, refugees and migrants. In comparison, less than a third (27%) of all responses highlight this.



Equality, diversity and inclusion

- Reaching and meeting the needs of more diverse users has become more of a priority this year, rising from 35% in 2022 to 45% this year.
- It's encouraging that 29% of charities think that their products and services are inclusive to a great extent, a slight improvement on the 26% in this category last year.
- We asked the 80 charities developing digital products in-house further questions about their design and development approach. Of these, almost 1 in 5 (19%) say that products and services are not developed by diverse teams, although over half (54%) say that development is informed by user research with diverse communities to some extent. More than half (58%) say that their products and services are accessible to some extent and over half (53%) feel that they are monitoring accessibility and diversity of users effectively.
- Higher proportions of organisations led by each of the specific groups we surveyed say they are at an earlier stage with digital. For example, 32% of black-led charities are at the earliest curious stage, compared to 19% of all charities.
- These groups are delivering more digital services in comparison to our overall sample (46% overall). For example, 65% of those supporting LGBTQIA+ people, 62% supporting people with marginalised genders and 52% supporting refugees, asylum seekers and migrants.
- Higher proportions of specific groups face challenges linked to the cost of living crisis and are struggling to find funds to invest in digital infrastructure. This is particularly acute for organisations supporting people experiencing domestic violence and abuse.



Leadership

- It's concerning to see that just under a third of charities (28%) don't have anyone in charge of leading their digital progress, an increase on the 22% from last year who did not have anyone pushing forward with digital.
- However, just over a third (31%) have someone who is leading on digital as part of or in addition to their main work, similar to 2022.
- Once again, more than half of charities (56%) told us that the number one thing they want from their leaders is a clear vision of what their organisation could achieve with digital. This is similar to the 58% last year. It is the fifth year running that charities have told us they need leaders to define a vision for digital.
- 43% would like their leaders to embed and develop a good digital strategy, similar to last year.
- Just over a third (37%) would like leaders to understand digital trends and how they could affect their charity. Again, this is similar to last year and demonstrates why leaders must allow time for horizon scanning and thinking strategically about digital.
- Just under a third (30%) want their leaders to understand digital tools.
- A similar number (29%) want leaders to understand the investment needed for digital transformation, as well as get a better understanding of data (27%). All are similar to what people expected of leaders in 2022 and 2021, showing that some leaders have still not developed these skills.



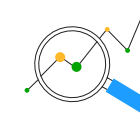
Boards

- There is still potential to grow trustees' digital skills. 57% have skills that are either low or have room for improvement. This is better than the 64% last year, but there is still a long way to go.
- Encouragingly, 26% have good skills and are engaging with digital, compared to 21% last year. 6% are excellent, the same as last year.
- The results are relatively similar for small and large charities.
- When we look at those delivering digital services, the results are still similar, with only 40% saying their board has good or excellent digital skills.
- Those developing in-house digital products and services give a higher rating for their board's digital skills and understanding overall. For these 78 charities, 19% say their board has excellent digital skills and 25% say they are good.



Skills

- Digital skills and confidence continues to be a similar level of priority for charities to 2022, with just over half (54%) keen to grow skills amongst staff and volunteers.
- The second biggest challenge is skilling up staff and volunteers (41%), which was also a top three priority last year.
- There has been a small increase in charities with excellent basic digital skills (64%, rising from 58% in 2022). Slightly less charities than last year (48%, compared to 52%) have excellent remote working skills.
- Like last year, 1 in 5 charities (26%) see themselves as excellent at social media.
- 58% are fair at creating accessible, engaging content, and 50% say that they are fair at email marketing. Like last year, 26% say they are poor at email marketing (25% in 2022).
- Charities' preferred method of learning is self service, with almost 4 out of 10 (38%) seeking out online information or guidance.
- Peer advice remains the second most popular option, with the same number (31%) as last year relying on this.



Data

- Data is a key priority, with 59% wanting to use data and insights to improve their services or operations, similar to last year. This remains in the top three priorities selected.
- There has been little movement in the number of charities lacking skills to collect, manage and analyse data. 59% rate themselves as fair at this and 28% poor. These data points have barely changed since 2020, showing how charities need support in this area.
- Similarly, half of charities (52%) rate themselves as fair at using data to inform decision making and strategy and at using digital tools for monitoring and evaluation (53%).
- Getting better insights from their data continues to be a priority for charities, although slightly less charities see this as important this year (38% this year and 46% in 2022).
- The biggest challenge, faced by 48% of charities, is to use data to inform strategy and decision making.
- 4 out of 10 charities also lack the time to focus on data.
- Charities also face a range of operational challenges with data, including collecting the right data and analysing it (both 39%). 26% find making the most of their CRM (including reporting) an issue.



Digital risks

- 47% say they are excellent at safeguarding users, which is encouraging. Last year, 18% said they were excellent at digital safeguarding.
- This year, we asked charities about their responsibilities to safeguard staff and volunteers from harmful content. 45% feel they are fair at this and 33% excellent.
- 49% are fair at cybersecurity and 22% are poor at this. However, 21% say they are excellent, a slight increase from 18% last year.



Digital fundraising

- Almost two thirds (59%) want to improve their online fundraising, a significant increase from 49% last year.
- More than half (55%) say they are poor at digital fundraising, an increase on 49% last year.
- Charities' top priority is to improve their skills so they can attract more funding, which has risen from the fourth highest priority to the highest this year. 4 out of 10 charities see this as vital.
- 40% want to improve their brand and profile, falling from last year (47%).



Small charities

- 25% of small charities are at the earliest, curious stage with digital, compared to 5% of large charities.
- Small charities struggle more with finding funds for devices, software and infrastructure, with 54% saying this is their top challenge. This is followed by being busy firefighting and not prioritising digital for 44%, as well as needing to upskill staff or volunteers (41%).
- 41% of small charities (compared to 66% in 2022) are delivering digital services.
- 42% of small charities say they are advancing and advanced with digital. This is significant, but compares to 68% of large charities, a difference of 26%. Last year the difference was 32%.



Wales

- 58% say they are advancing or advanced with digital (compared to 48% of all responses), with 79% seeing digital as a greater or much greater priority this year.
- 62% are delivering digital services. Amidst the cost of living crisis, 44% are responding by exploring how to work more effectively using digital.
- One in five (19%) say the cost of living crisis is their biggest challenge (compared to 27% of all responses).
- The biggest skills gap for this group is keeping up to date with digital trends (e.g Tik Tok or ChatGPT), with 66% saying they are poor at this.
- Three quarters (74%) say their CRM is causing a significant challenge for their organisation (this compares to 54% of all responses).



Scotland

- 47% say they are advancing or advanced with digital (compared to 48% of all responses), with 82% saying digital is a greater or much greater priority this year.
- 57% are delivering digital services. Amidst the cost of living crisis, 42% are responding by exploring how to work more effectively using digital.
- The biggest challenge faced for over half (57%) is needing to upskill staff and volunteers. This is closely followed by 41% saying they are busy firefighting and lack capacity to prioritise digital.
- 53% do say the cost of living crisis has affected their capacity and indicate the impact on their digital progress.
- The biggest skills gap for this group is learning about users from websites (61% are poor at this) and keeping up to date with digital trends (e.g Tik Tok or ChatGPT), with 56% saying they are poor at this.
- Other key skills gaps include using data to inform decision making and using digital tools for monitoring and evaluation, using SEO (Search Engine Optimisation) with half saying they are poor at this (55% in both cases).

Detailed findings



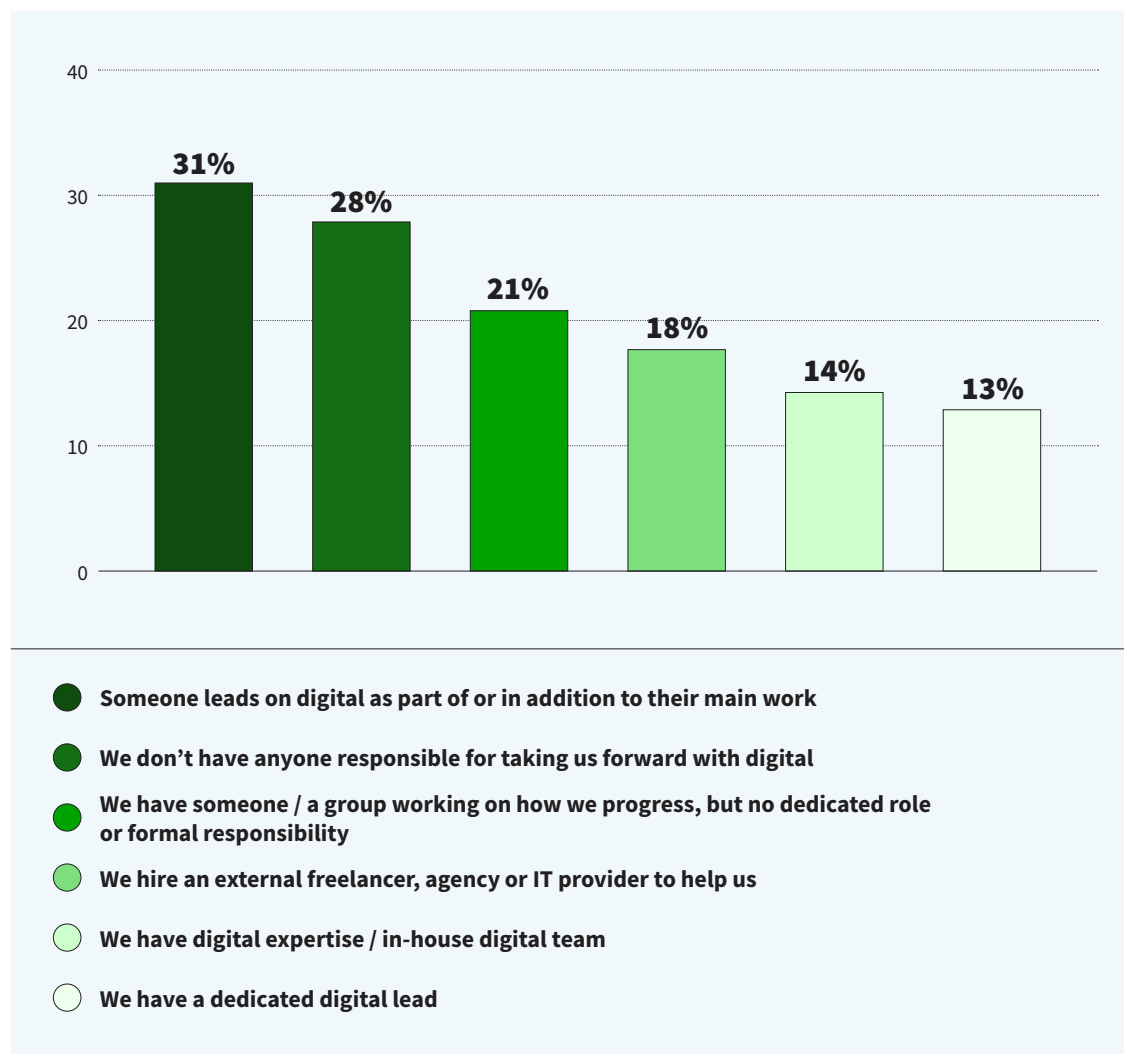
Overall digital progress

Who is taking responsibility for helping your organisation to progress with digital?

Every charity, regardless of size, needs someone who is responsible for leading on digital, even if they are not a digital professional. It is worrying that nearly a third of charities still do not have this. These results show that some charities are struggling with their digital capacity.

- It's concerning to see that just under a third of charities (28%) don't have anyone in charge of leading their digital progress, an increase on the 22% from last year who did not have anyone pushing forward with digital.
- However, just under a third (31%) have someone who is leading on digital as part of or in addition to their main work, similar to 2022.
- One in five (21%) have someone/a group working on how they progress, but no dedicated role or formal responsibility. These charities will have a significant dependency on the capacity and skills of these individuals/groups.
- 18% have an external freelancer, agency or IT provider to support them.

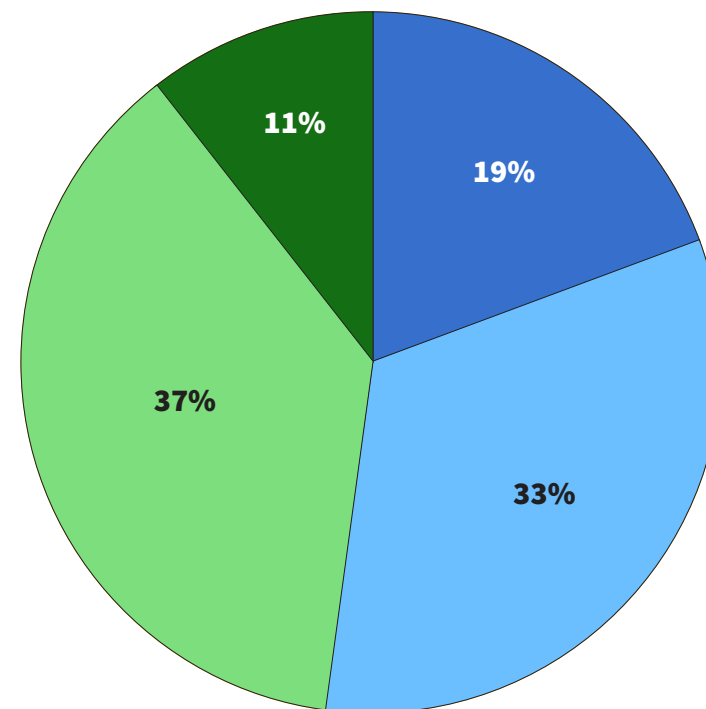
“Digital often feels like such a huge task that we put it off. We are a small team and this is really no-one's role or responsibility so it can feel like more work.”



What stage is your organisation at with digital?

48% have a strategic approach to digital, which is significantly less than the 56% who had this in 2022.

- One in five charities (19%) are at the earliest digital stage of 'curious' this year, saying that they have digital basics in place, such as social media or remote working, and are aware they could go further. This number has increased from 12% last year.
- A third (33%) are starting out by developing their use of digital across the organisation, similar to the 31% last year.
- Less charities have a strategy in place for digital than last year, falling from 56% in 2022 to 48% this year. These charities are in either the advanced or advancing category. This may reflect the fact that we had more small charities responding to the survey this year.
- Overall, half of charities (52%) see themselves as being at an early stage with digital in 2023, compared to 43% in 2022.
- 25% of small charities are at the earliest, curious stage with digital, compared to 5% of large charities.



Curious

Starting out

Advancing

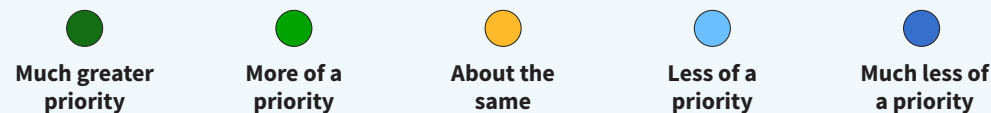
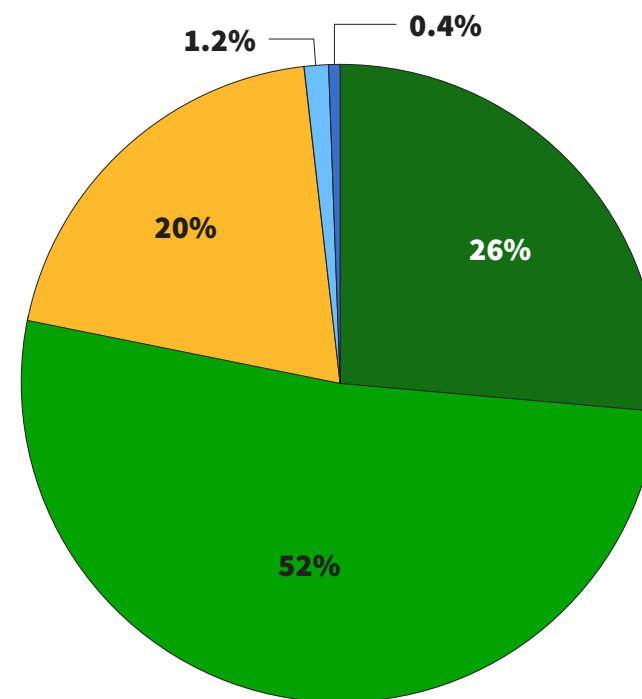
Advanced

Currently, would you say that digital is becoming more or less of a priority for your organisation?

Over three quarters (78%) of charities say that digital is more of or a much greater priority for their organisations.

Last year, we asked charities if the pandemic had changed how they prioritised digital. In 2023, we wanted to find out whether this commitment to change had remained, given the current challenges facing the sector.

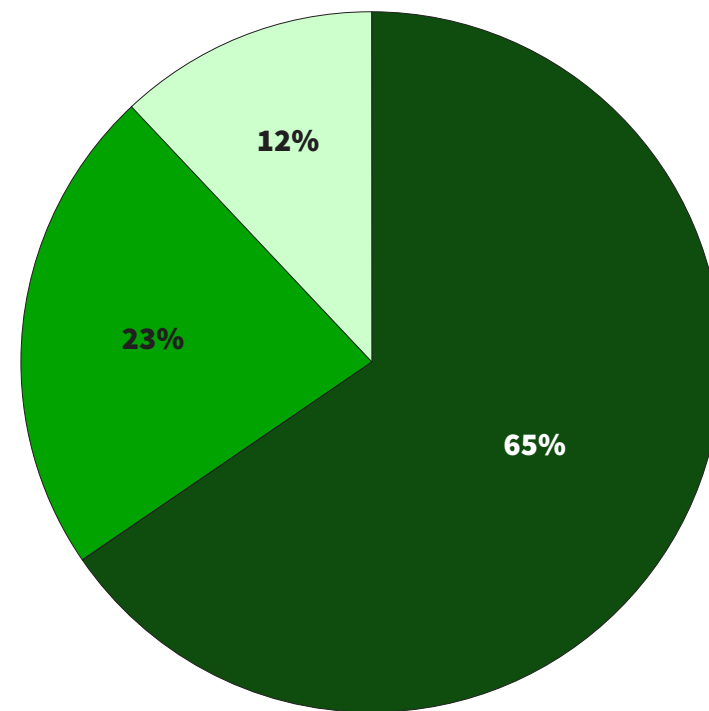
- Despite the pressures facing charities this year, more than half (52%) told us that it is more of a priority, an increase on the 46% last year.
- However, the number who saw it as a much greater priority has fallen from 36% last year to 26% this year.
- 20% (1 in 5) give it the same level of priority, with only 1% seeing it as less of a priority.



Which of the following best describes your working arrangements?

Almost two thirds of charities now have a hybrid working model.

- 65% of charities have a hybrid working model (remote and office based), slightly more than 62% last year.
- 23% are all working remotely and do not have an office or shared physical space.
- There are significant differences by size, with 53% of the smallest charities (income up to £100,000) working remotely, compared to 16% of those with an income of £100,000 to £500,000 and 5% of large charities (over £1 million).



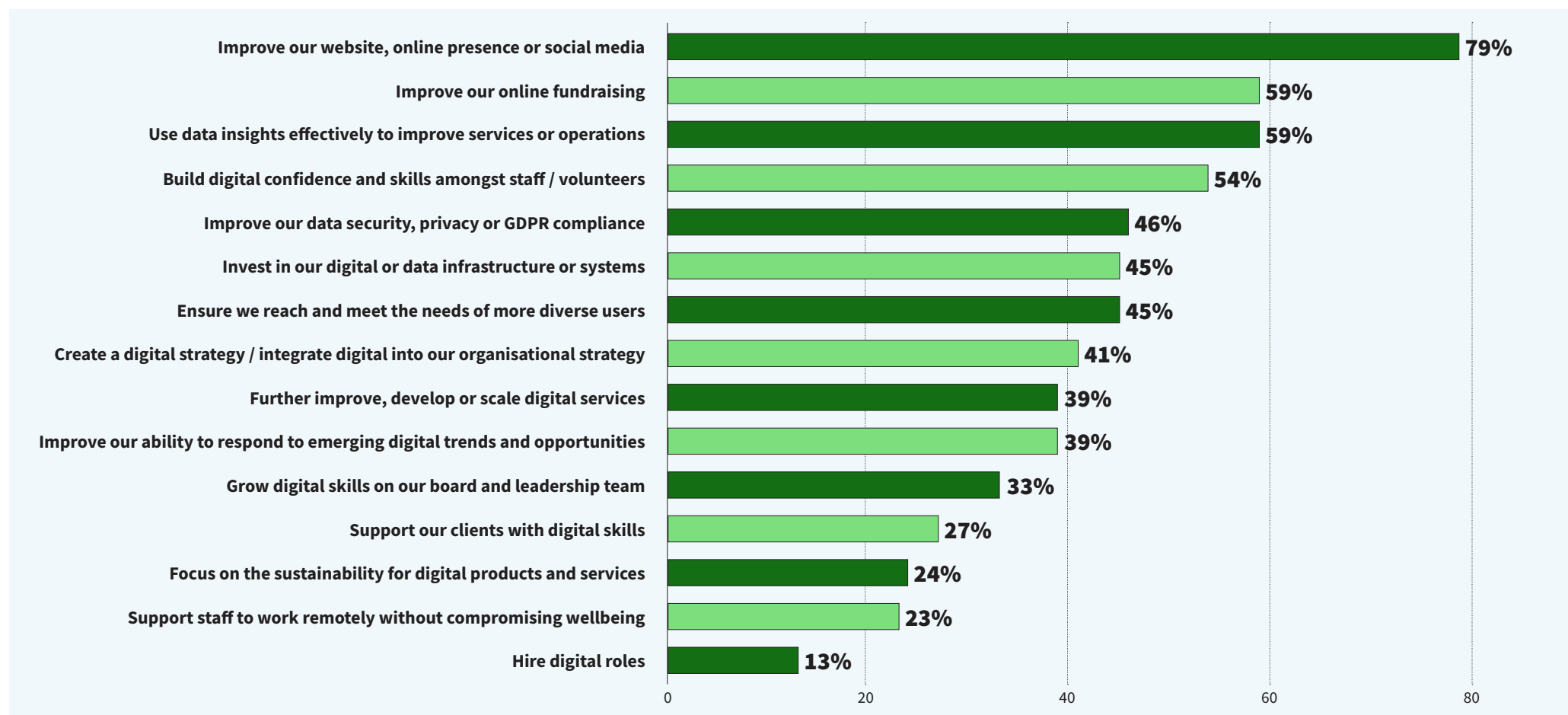
● We have a hybrid model (remote working and office based)

● We all work remotely and do not have an office / building / shared space

● We all work in office / community building

What do you see as your organisation's key digital priorities over the next 12 months?

The top three priorities for charities this year are their website, online presence and social media, online fundraising and using data.



What do you see as your organisation's key digital priorities over the next 12 months?

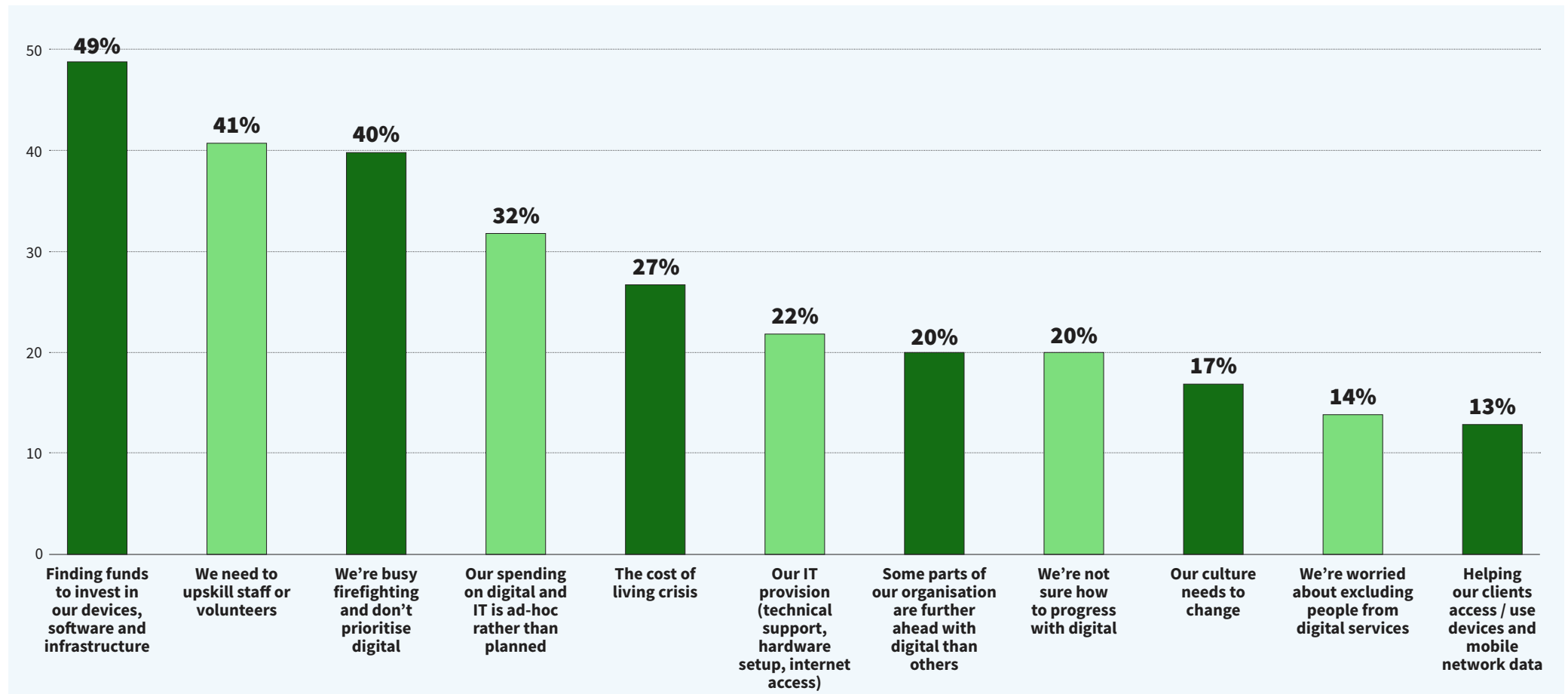
The top three priorities for charities this year are their website, online presence and social media, online fundraising and using data.

- 8 out of 10 (79%) of charities see improving their website, digital presence or social media as the greatest priority for the next year.
 - This was also the top priority last year, but has increased from 68%.
 - This may be connected to the fact that almost two thirds (59%) want to improve their online fundraising, a significant increase from 49% last year. This has moved from the fourth most popular choice to the second top priority highlighted. Digital fundraising looks to be more important in the years ahead.
 - Like last year, data is a key priority, with 59% wanting to use data and insights to improve their services or operations, similar to last year. This remains in the top three priorities selected.
 - Digital skills and confidence continues to maintain a similar level of priority for charities, with just over half (54%) keen to grow these among staff and volunteers, and a further third stating that developing the digital skills of their board and leadership team is a priority. However, it is now the fourth most popular choice rather than the second (2022 report).
 - Improving data security, privacy and GDPR compliance has become more of a priority since 2022. 46% of charities now see this as a priority compared to 35% last year. Similarly 4 out of 10 (45%) want to invest in their digital or data infrastructure or systems, slightly more than the 33% last year.
- Reaching and meeting the needs of more diverse users has become more of a priority this year, rising from 35% in 2022 to 45% this year.
 - 41% want to develop a strategic approach to digital whilst 39% see responding to emerging digital trends and opportunities as a priority, neither of which has changed much since 2022.
 - Just over a third (39%) want to improve or scale their digital services, which has remained a similar level of priority since last year.
 - Slightly more charities than last year (24% compared to 19%) want to improve the sustainability of their digital products and services.
 - Supporting staff wellbeing whilst working remotely has become less of a priority, declining from 35% last year to 23%. This may indicate increased confidence with remote work.

“The biggest digital experience we have seen as a team was the speed of digitalisation across all organisations, especially service providers; banks, councils, social services, housing providers etc at the start of the pandemic. ... This left our blind/visually impaired beneficiaries truly marginalised. ... There remains much to do to provide accessible kit, training, and maintaining and improving people's skills in this respect.”

What are the biggest challenges your organisation currently faces in relation to digital?

Almost half of charities urgently need funds for devices, software and infrastructure, whilst almost a third see the cost of living crisis as a challenge to digital.



What are the biggest challenges your organisation currently faces in relation to digital?

More than half of charities urgently need funds for devices, software and infrastructure, whilst almost a third see the cost of living crisis as a challenge to digital.

- The biggest challenge facing charities is funding. Nearly half of charities (49%) urgently need funds for devices, software and infrastructure. This has risen from 40% last year, showing how this need is becoming increasingly critical to the sector.
 - The third greatest challenge is that charities are under increased pressure to fight fires. This has more than doubled from 20% last year to 40% this year.
 - The second biggest challenge is skilling up staff and volunteers (41%), which was also a top three priority last year.
 - A third (32%) of charities feel that their spending on digital and IT is ad-hoc, an increase on 30% in 2022, whilst just over 1 in 5 (22%) find their IT provision (technical support, hardware and internet access) a challenge.
 - Less than a third (27%) see the cost of living crisis as being a significant challenge to how they are using digital.
- One in five charities, exactly the same as last year (20%), aren't sure how to progress with digital.
 - 14% are worried about excluding people from digital services (26% in 2022), whilst 13% find getting their clients online challenging (20% last year). This may be connected to fewer charities offering digital services.
 - The top challenges for large charities are slightly different to small charities. The top two challenges for nearly half (both 47%) of large charities are that some parts of their organisation are further ahead with digital than others and needing to upskill staff or volunteers. Finding funds to invest in devices, software and infrastructure is also in the top three, a key challenge for 35% of large charities.
 - In contrast, small charities struggle more with finding funds for devices, software and infrastructure, with 54% saying this is their top challenge. This is followed by being busy firefighting and not prioritising digital for 44%, as well as needing to upskill staff or volunteers (41%).



Digital skills

How would you rate your organisation's skills in the following areas?

Almost two thirds (64%) of charities have excellent basic digital skills. Yet there are significant skills gaps in collecting and analysing data, using data to inform decision making and user research.

- There has been a small increase in charities with excellent basic digital skills (64%, rising from 58% in 2022). Slightly less charities than last year (48%, compared to 52%) have excellent remote working skills.
- There is room for improvement with charities' use of digital service delivery, with nearly a third rating themselves as poor (28%).
- There has been little movement in the numbers of charities lacking skills to collect, manage and analyse data. 59% rate themselves as fair at this and 28% as poor. These data points have barely changed since 2020, showing how charities need support in this area.
- Half of charities (52%) rate themselves as fair at using data to inform decision making and strategy and at using digital tools for monitoring and evaluation (53%).
- More than 4 out of 10 (43%) say they are poor at user research, which has barely changed since last year.
- Overall, skills are lowest in undertaking user research (43% are poor at this), using digital tools for monitoring and evaluation (39% are poor at this) and using data to inform decision making and strategy (36% are poor at this).
- Interestingly, there is little variation in skills ratings between small and large charities.

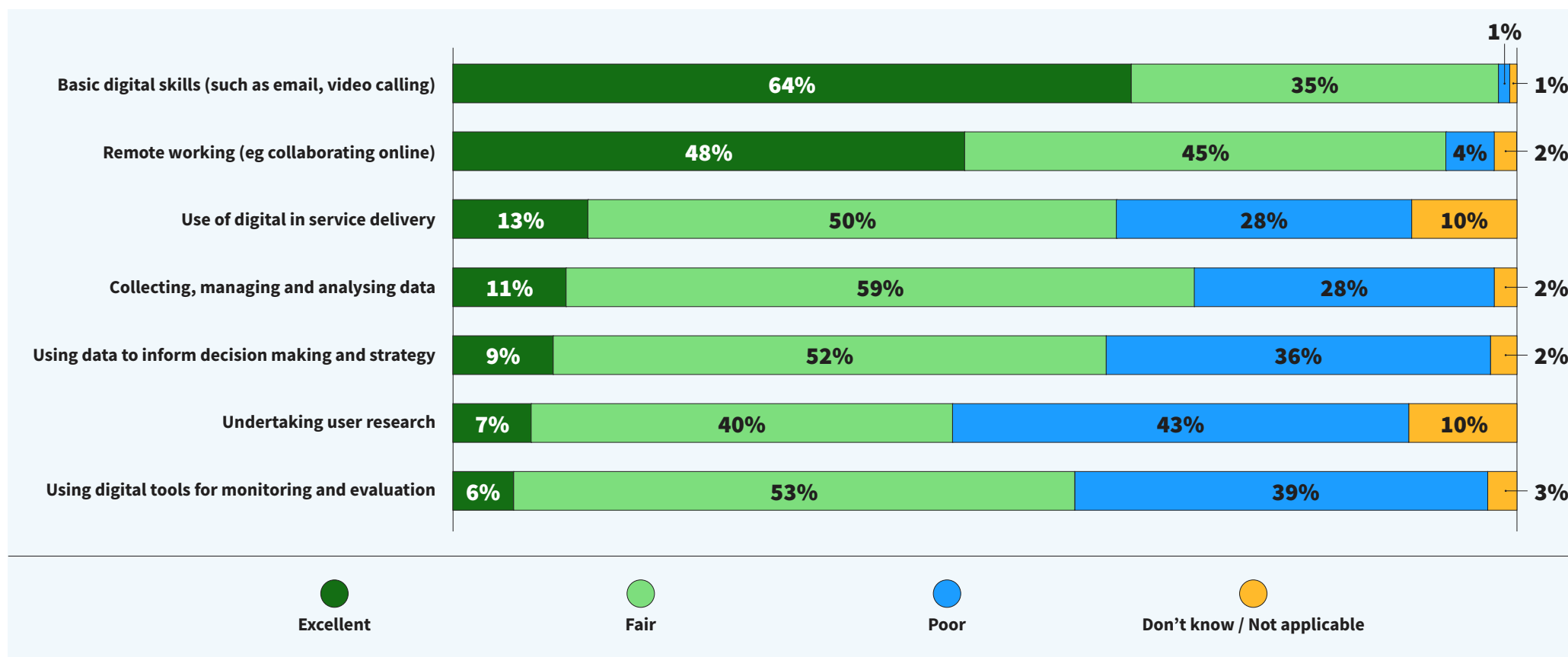
“Improving digital skills across the board would help us become more adaptable as an organisation and not settle for things that ‘just don’t work’, by continuously horizon scanning and seeing what trends and opportunities are out there in the digital space, we can see where improvements can be made more consistently and with the right investment (especially if we can point to direct ROI and get buy-in from the Board).”

“Digital skills could help us improve our social media reach, develop online services, enhance our website, increase our effectiveness/efficiency and cost savings, more successes at fundraising etc.”

“Benchmarking is vital so you can measure yourself as to where you are now and where you’d like to be. Communicating digital improvement to a team of 100 staff is challenging.”

How would you rate your organisation's skills in the following areas?

Almost two thirds (64%) of charities have excellent basic digital skills. Yet there are significant skills gaps in collecting and analysing data, using data to inform decision making and user research.



How would you rate your organisation's skills when engaging with your audiences and the people you support?

Almost 1 in 5 charities are excellent at social media. However, many report skills gaps for email marketing, websites and digital fundraising.

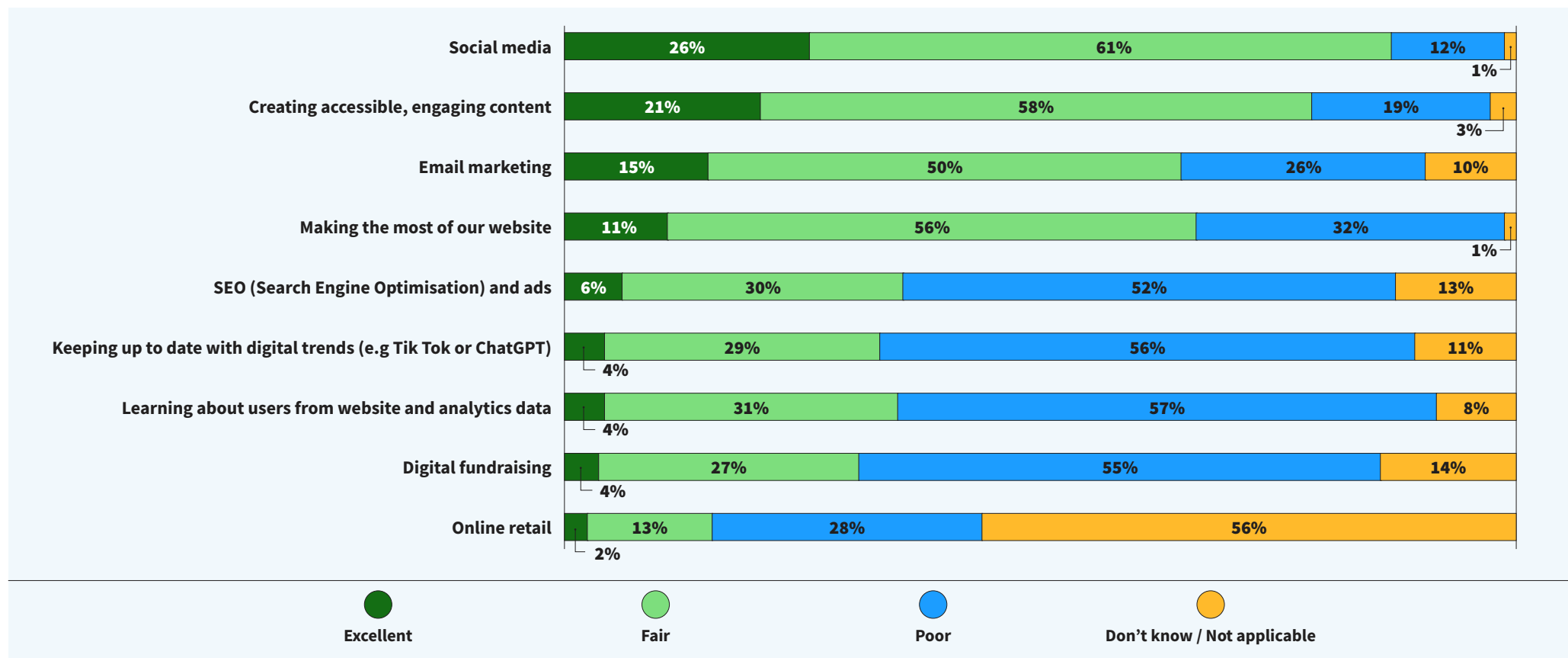
- Like last year, 1 in 5 charities (26%) see themselves as excellent at social media.
- There continues to be a digital marketing skills gap in the sector. More than half (58%) are fair at creating accessible, engaging content, and 50% say that they are fair at email marketing. Like last year, 26% say they are poor at email marketing (25% in 2022).
- The same number as last year (56%) rate themselves as fair at making the most of their website.
- More than half (52%) say they are poor at Search Engine Optimisation and ads, a significant increase on the 42% who said that they were poor at this last year.
- Just under two thirds (57%) say they are poor at learning about users from their website and analytics data, a significant increase on the 42% last year.
- More than half (56%) say they are poor at keeping up to date with digital trends such as TikTok and ChatGPT.
- More than half (55%) say they are poor at digital fundraising, an increase on the 49% last year.
- A similar number to last year (28%) say they are poor at online retail.

Overall, these trends show a strong need for digital skills support across the sector.



How would you rate your organisation's skills when engaging with your audiences and the people you support?

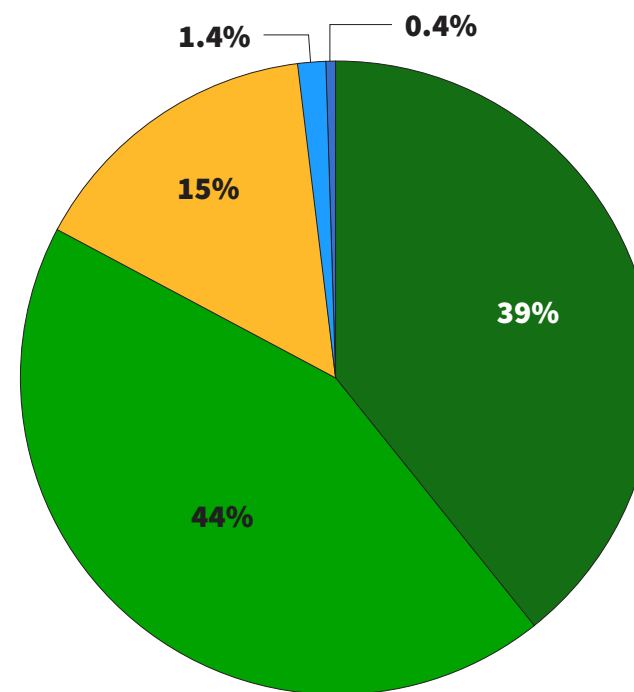
Almost 1 in 5 charities are excellent at social media. However, many report skills gaps for email marketing, websites and digital fundraising.



How important is it to you to work for an organisation that is actively developing its digital capabilities and skills?

8 out of 10 charity professionals want to work for a charity that is growing digital skills.

- 83% of respondents say that it is either very important or important to work for a charity that is developing its digital skills. This is less than the 88% last year.
- 15% were neutral about it, compared to 10% last year.
- Only 2% said it was not important or very unimportant.
- This is slightly more important for those working in large charities, with 84% stating it is important or very important to work for an organisation actively developing digital skills, compared to 75% of small charities.



Very important

Important

I'm neutral about it

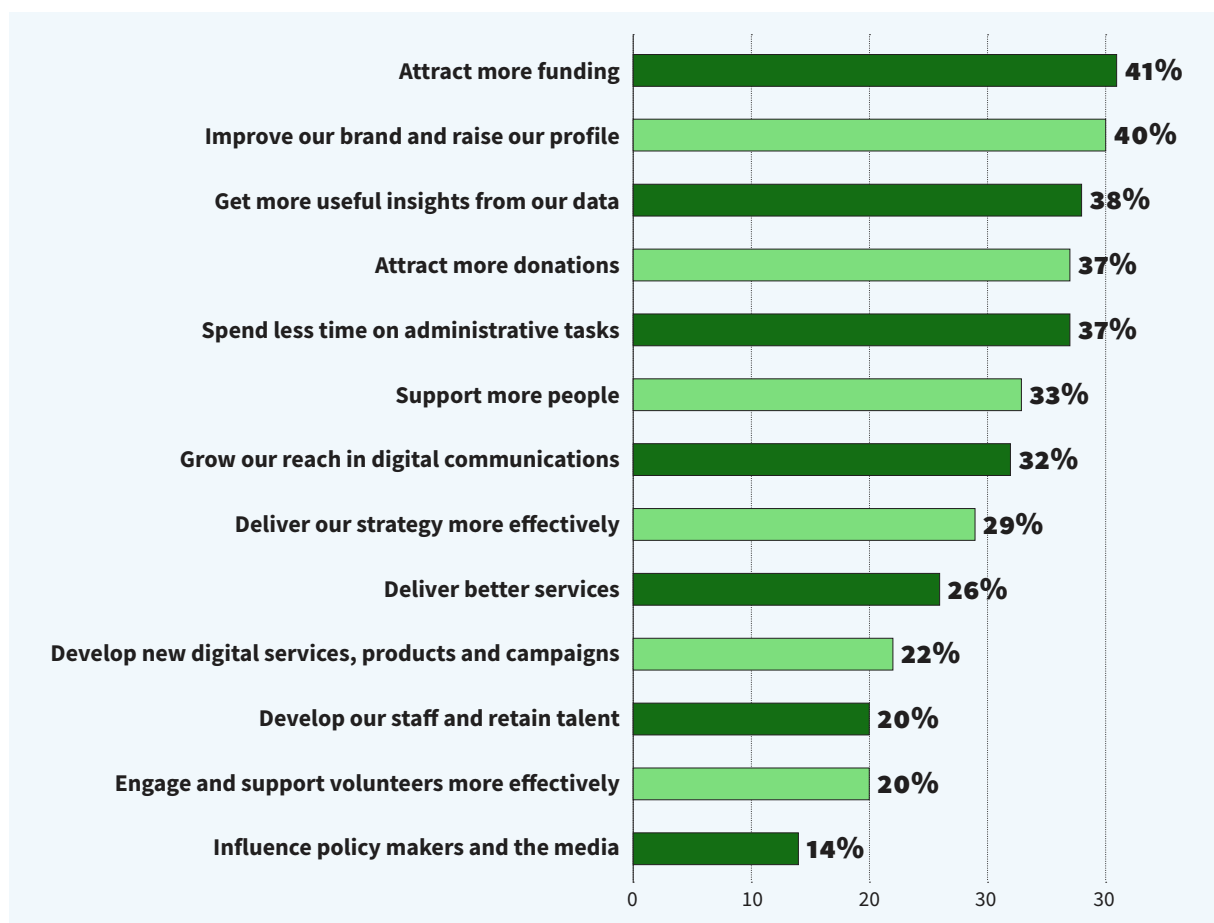
Not important

Very unimportant

What are the key things your organisation could do if it increased its digital skills?

The top three things charities could achieve are attract more funding, improve their brand and profile and get better insights from their data.

- Charities' top priority is to improve their skills so they can attract more funding, which has risen from the fourth highest priority to the highest this year. 4 out of 10 charities see this as vital.
- 40% want to improve their brand and profile, falling from last year (47%).
- Getting better insights from their data continues to be a priority for charities, although slightly fewer charities see this as important this year (38% this year and 46% in 2022).
- Spending less time on administrative tasks is a growing need for charities, at 37% compared to 31% last year. This may be where tools such as ChatGPT and increased automation could help charities.
- A third of charities want to support more people (33%) and grow their reach (32%), similar to last year.
- Given the priorities above, it's perhaps surprising that some of the actions that would help charities achieve them did not receive higher ratings, including delivering strategy more effectively (29%), delivering better services (26%), developing new digital services, products and campaigns (22%) or developing staff and retaining talent (20%).



Systems and tools

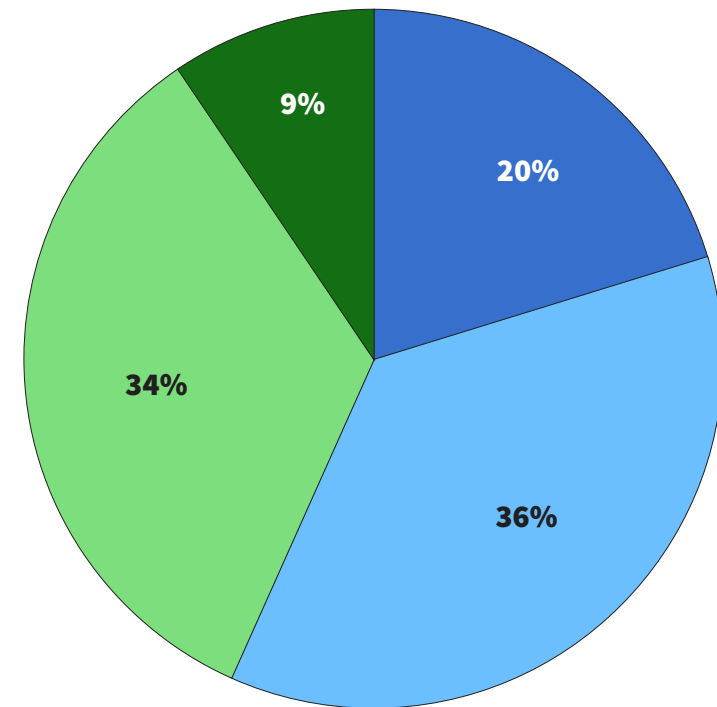
Do you find your IT provision (technical support, hardware setup, internet access) to be [Poor, Sufficient, Good, Excellent]?





1 in 5 charities say that their IT provision is poor, affecting their confidence to try new things.

For the first time in the survey, we asked charities for their views on their IT provision. This question is taken from the [SCVO Digital Checkup](#).

- Just over a third (36%) find their IT setup is sufficient for their current needs.
- A similar number (34%) feel that it is good, well managed and does not get in the way of what they need to do.
- 1 in 5 (20%) say it is poor and a regular headache.
- Only 9% say it is excellent and are confident it will meet most of their needs.
- The results are similar for small and large charities. However, large charities are slightly more positive, with 14% saying their IT provision is excellent. Resourcing and developing IT continues to be a challenge for all organisations.
- As we might expect, IT provision poses a bigger challenge to those at the earliest stages of the journey. 33% of those at the curious stage say their IT is poor, compared to 26% of those starting out, 13% of those advancing and 6% of advanced.

The fact that there are relatively low numbers of charities rating their IT provision as good or excellent shows that there is room for improvement across the sector.



			
Poor	Sufficient	Good	Excellent
A regular headache which can waste our time and affects our confidence in trying new things.	It works for where we are currently and improving systems would cause issues.	Well managed and the occasional hiccup aside, it is not a barrier to our development.	We are confident that it will meet our needs in most circumstances.

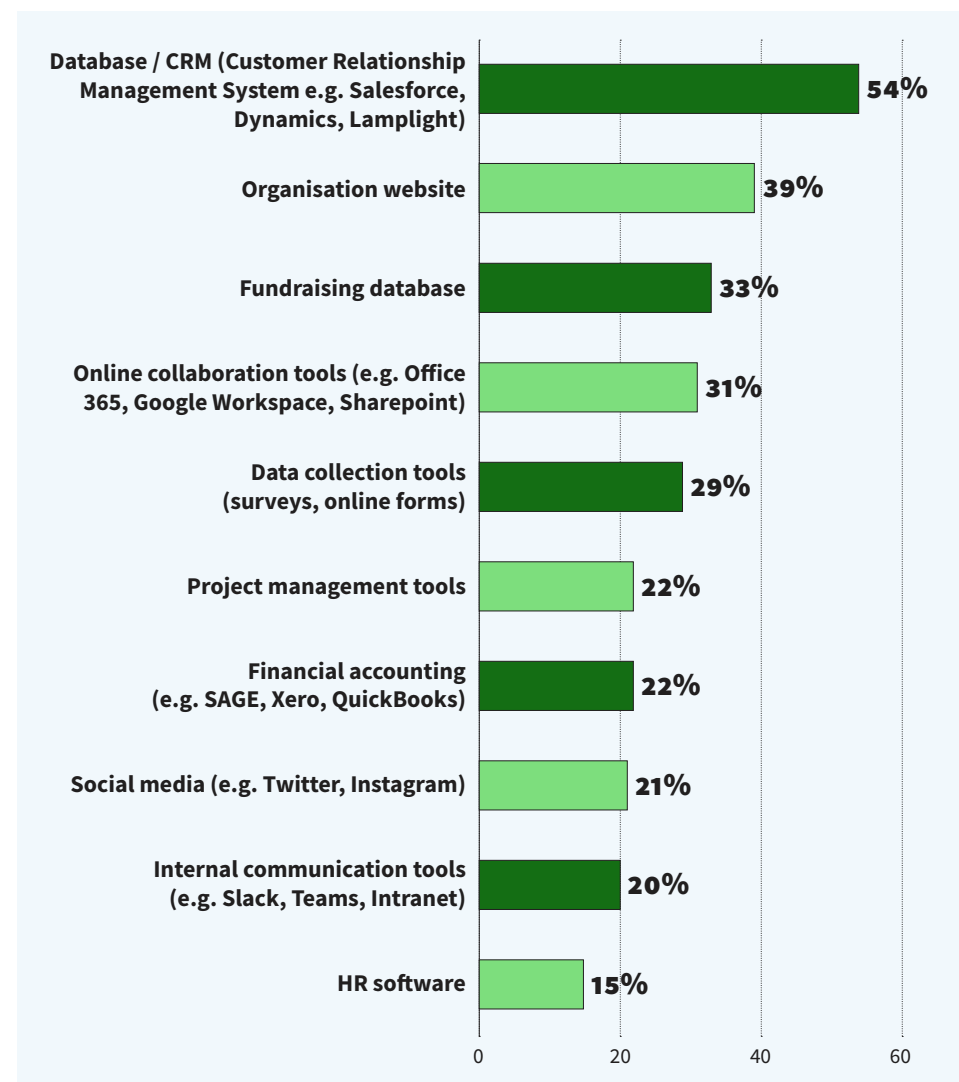
Are any of the following tools and systems creating significant challenges for your organisation?

More than half of charities are finding their CRM to be a major challenge.

- More than half of charities (54%) are facing significant challenges with their CRM and 33% are finding their fundraising database challenging. In 2022, only 42% of charities told us they needed to review their CRM.
- 39% are finding their website challenging, compared to the 51% who were looking to review their website last year.
- 31% are finding their online collaboration tools challenging, with 22% having the same experience with their project management tools and 20% finding their internal communications tools, such as Slack and Teams, an issue.
- 29% are finding data collection tools such as surveys and online forms to be a challenge, whilst 22% find online accounting tools an issue and 15% having a similar experience with HR software.
- 21% find social media a challenge.

Again, this question shows that CRM systems are preventing many charities from moving forwards with digital. Many can see the urgency of developing their CRM systems and their skills to make best use of them.

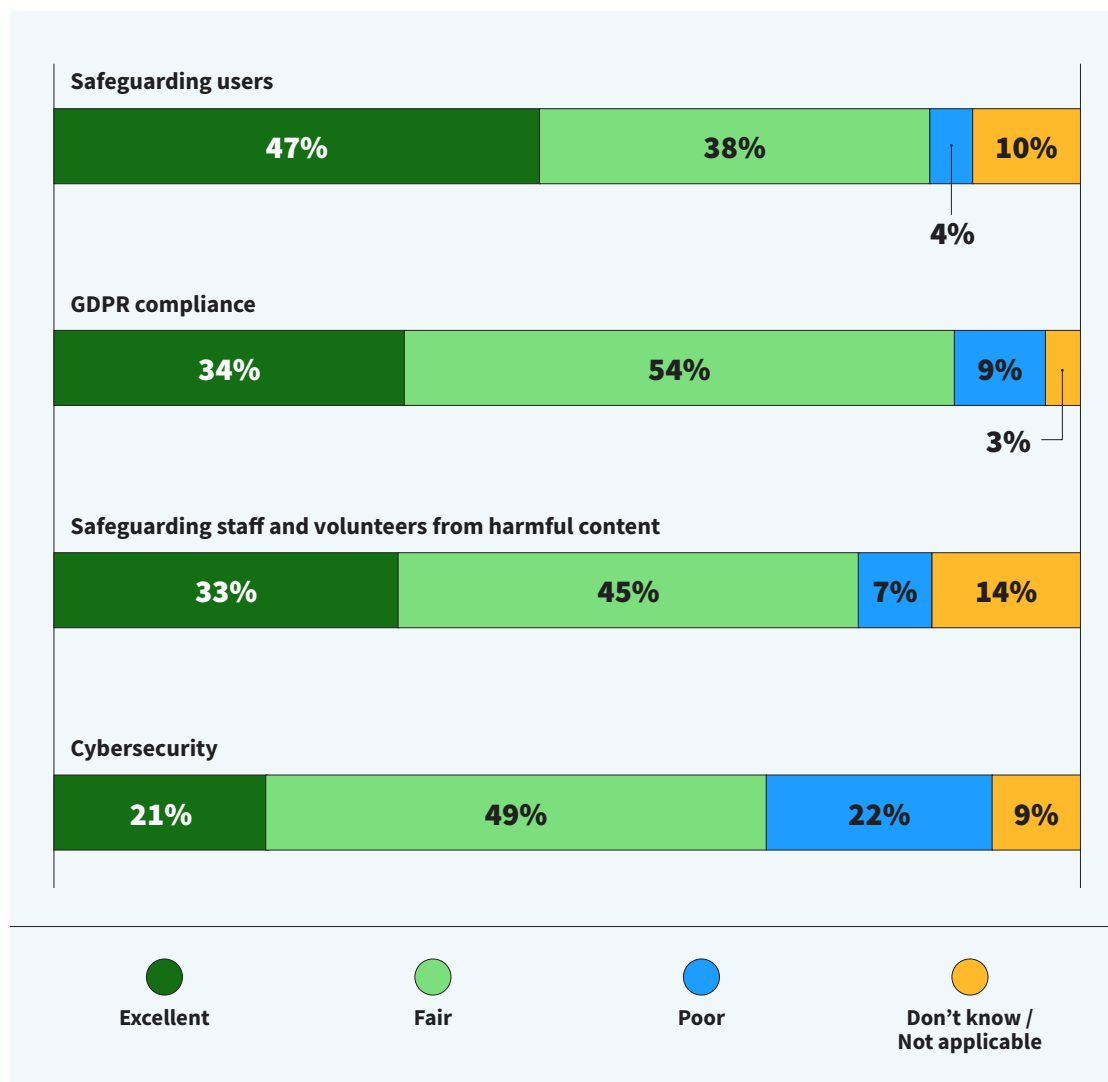
“Need the time and commitment from volunteers/trustees to learn to use the digital tools we possess thus far.”



How effective is your organisation at addressing the following risks?

Charities are addressing key safeguarding risks, GDPR and cybersecurity well. However, there are still a small proportion of charities struggling with these vital skills, leaving them and their users vulnerable.

- 47% say they are excellent at safeguarding users, which is encouraging. Last year 18% said they were excellent at digital safeguarding.
- 34% are excellent at GDPR compliance, which is slightly less than the 38% last year. It is interesting to compare this to our earlier question about digital priorities. 46% see improving data security, privacy and GDPR compliance as a top priority for the next 12 months.
- This year, we asked charities about their responsibilities to safeguard staff and volunteers from harmful content. 45% feel they are fair at this and 33% excellent.
- 49% are fair at cybersecurity and 21% say they are excellent, a slight increase from 18% last year. However, one in five (22%) are still poor at this.

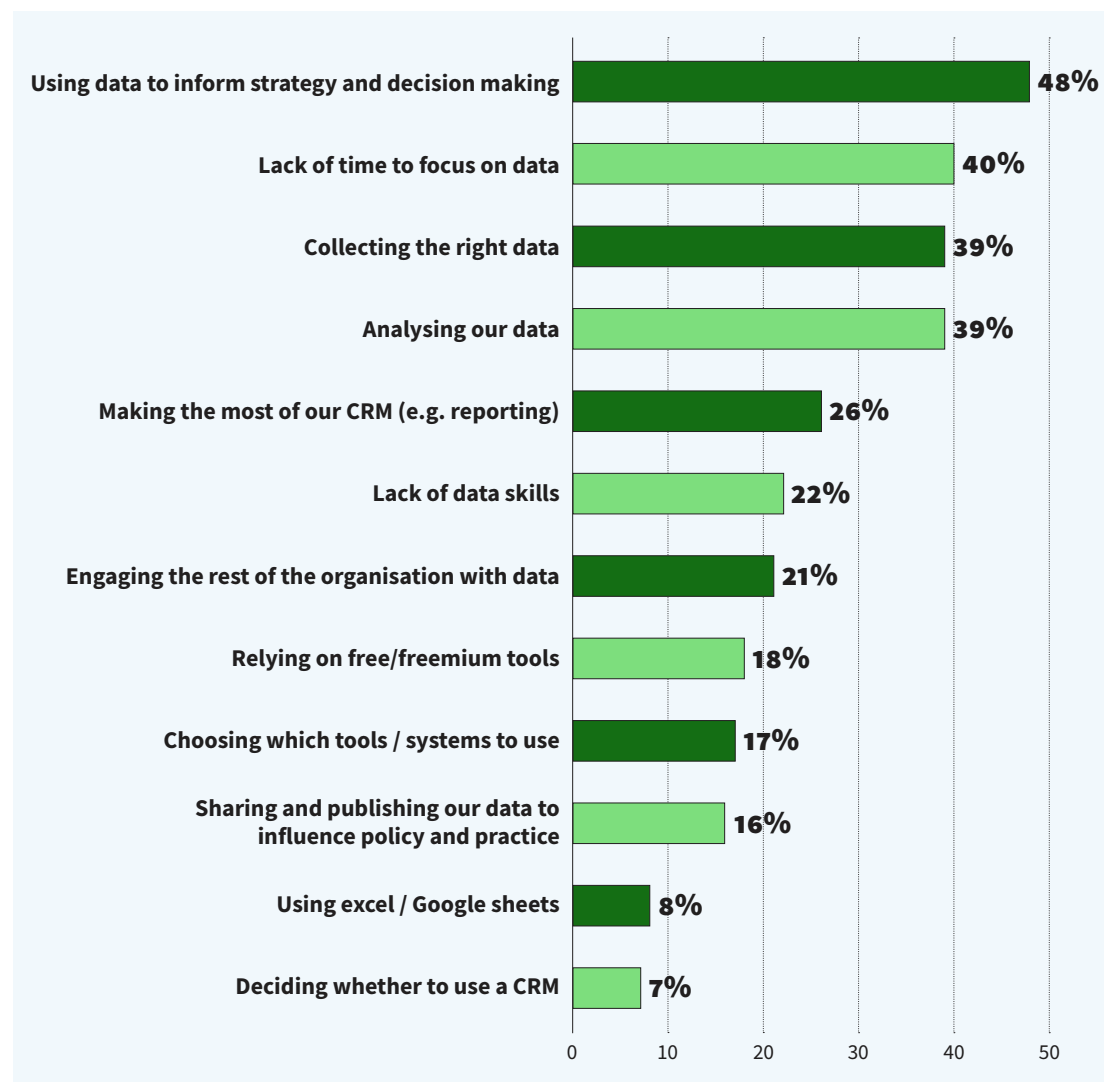


Thinking about data in your organisation, what are your three key challenges?

Almost half (48%) of the charities we spoke to want to use data more strategically, but many are facing operational issues with it, including data collection and making the most of their CRM.

Data was a growing priority for charities in 2022. This year, we decided to ask more about this, including a new question about the challenges they face.

- Previous questions about skills found that 59% feel they are fair and 28% say they have poor skills to collect, manage and analyse data.
- The biggest challenge, faced by 48% of charities, is to use data to inform strategy and decision making. It is noteworthy that in an earlier question, 59% plan to address this, specifying that their top priority for the next 12 months is to use data and insights to improve their services or operations.
- 4 out of 10 charities lack the time to focus on data.
- Charities also face a range of operational challenges with data, from collecting the right data and analysing it (both 39%), whilst 26% find making the most of their CRM (including reporting) an issue.
- 1 in 5 (22%) lack data skills and a similar number (21%) find it hard to engage the rest of their charity with data.
- 18% are hampered by relying on free or freemium tools and 17% don't know which system or tools to use.



If a system or tool is causing challenges for your organisation, could you tell us more? This might be your database, CRM (Customer Relationship Management system) or website.

This was a free text question designed to elicit in-depth information about challenges. Responses fell into several categories.

Website

“We are in the process of developing a new site and this takes up a lot of time and energy and we are aware of some of what we don’t know but also that there are probably some things that we don’t know we don’t know. We have a new CRM system and this will require a change in culture to make it work. We have a new person in post to take this forward as part of their job but again it takes a lot of time. In both cases we have the money for site/CRM but it is all the other resources that we struggle with, especially time across the team.”

Skills and culture

“Using Salesforce isn’t fully ‘baked in’ to our culture across the team so some members are very advanced at this and others would struggle to pull basic reports.”

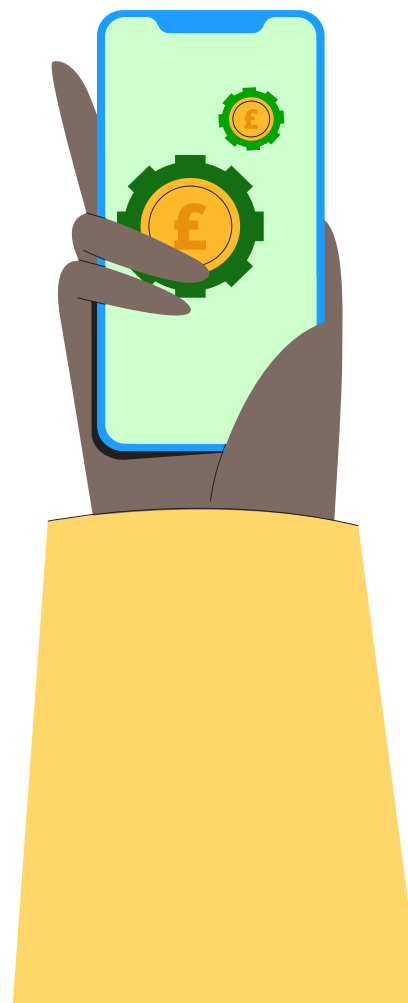
CRM

“Our CRM is set up more for our service delivery operations (delivered through partners) rather than for digital marketing and fundraising.”

“We are in the process of revamping our CRM (Salesforce) which wasn’t very usable.”

“We need a CRM and accounting software but are struggling to find funds to be able to afford the ones we want.”

“We use Salesforce for volunteer management but not for fundraising (currently just Google Sheets for this). It’s too complex to use and involves a lot of expensive 3rd party support. We need a CRM/database that we can manage ourselves, which also helps us with donor relationships and tracking funding applications.”



If a system or tool is causing challenges for your organisation, could you tell us more? This might be your database, CRM (Customer Relationship Management system) or website.

This was a free text question designed to elicit in-depth information about challenges. Responses fell into several categories.

Disjointed tools

“We have more than one database and the platform on which our client data is held will need to change later this year so we need to streamline.”

“We have had rapid growth as an organisation over the past 4 years (up to 300%). We have tried to use new systems and adapt to better share but nothing has a strategy, it is not consolidated and some of the systems don't speak to each other so we are spending time on multiple platforms without connecting together.”

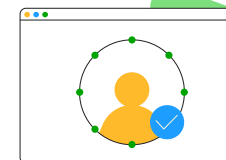
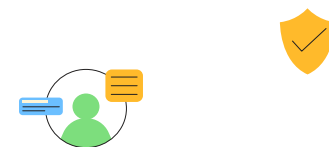
“We operate with too many CRMs and have too many points of entry/contact through our website, making the digital ecosystem unwieldy.”

Lack of time and money

“The CRM we chose last year isn't fit for purpose with our website/mailchimp/eventbrite. Both website and CRM have been a headache, and neither work well at all for all staff – lack of capacity to get it working properly and lack of funding to pay for website upgrades.”

“Our CRM is managed by our national HQ, they limit our access. We lack funds and staff time to do a better job of handling data and keeping the website and socials up to date.”

“We have spent a lot of money on our Volunteer Platform and faced many issues trying to get it live. Largely due to custom legacy code within our old CRM, failures from our web agency and moving to a new CRM.”

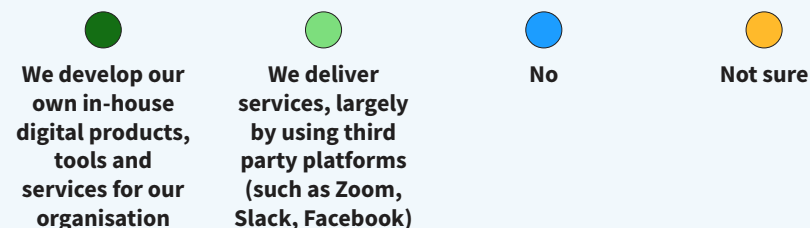
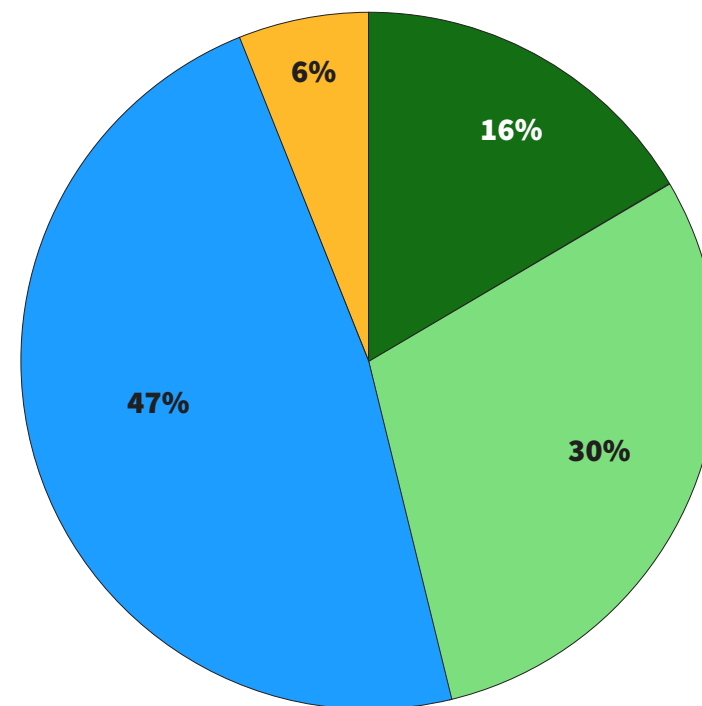


Digital services

Is your organisation designing and developing digital services, tools or products for use by staff, volunteers or clients?

This year, there looks to be less digital service provision by charities, with just under half (46%) delivering services in-house or via third-party platforms. This is a significant and noteworthy drop from 73% in 2022.

- Half (53%) of charities are not delivering or developing their own digital services (this includes 47% who say they are not and 6% who are not sure).
- Close to a third (30%) are delivering digital services using third-party tools such as Zoom and Facebook.
- A smaller number (16%) are developing their own in-house products and services.
- In total, 46% are delivering digital products and services. This is significantly less than the 73% last year. Further qualitative research is needed to determine why. It may be because of a move back to face-to-face delivery since the pandemic, which may in turn be connected to less funding for digital services. It may also be because it is no longer possible to differentiate between services that are digital or not.
- Larger charities are more likely to deliver digital services. This year, 61% of large charities (compared to 91% in 2022) and 41% of small charities (compared to 66% in 2022) are delivering digital services.

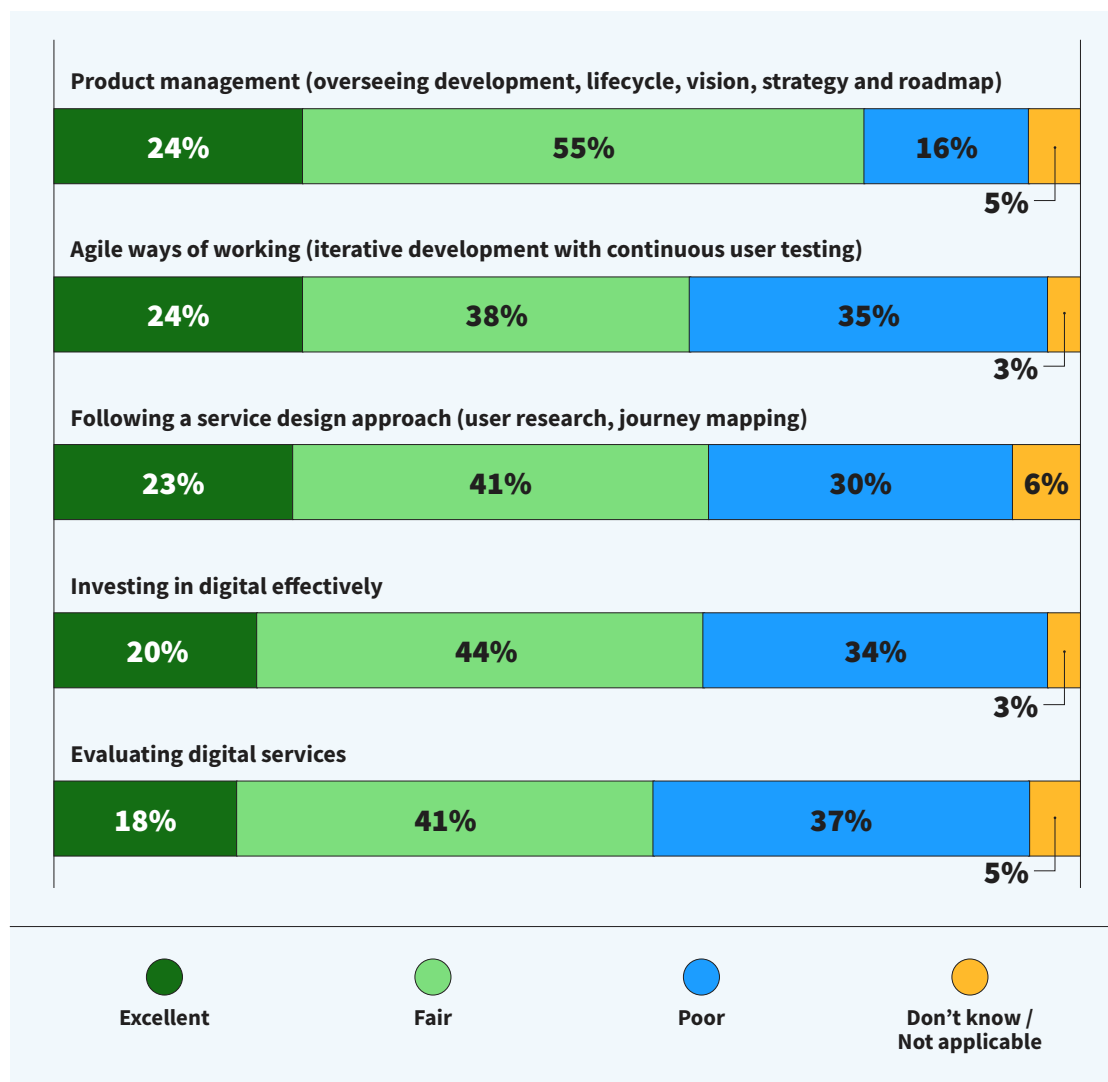


How would you rate your organisation's skills in the following areas of digital product design and development?

The biggest skills gaps reported are agile ways of working and evaluating digital services.

- This question was part of a filtered section, answered by approximately 80 charities who develop digital services in-house. The following statistics relate to this group, rather than the 504 who answered the survey.
- Almost 1 in 4 (24%) are excellent at product management.
- There's scope to improve charities' agile ways of working, with 38% rating themselves as fair and 35% as poor.
- Similarly there's room for improvement in following service design approaches, with 41% rating themselves as fair and 30% as poor.
- Just over a third of charities (34%) say they are poor at investing in digital effectively.
- 41% charities are fair at evaluating digital services and 37% are poor. This is the biggest area of weakness.

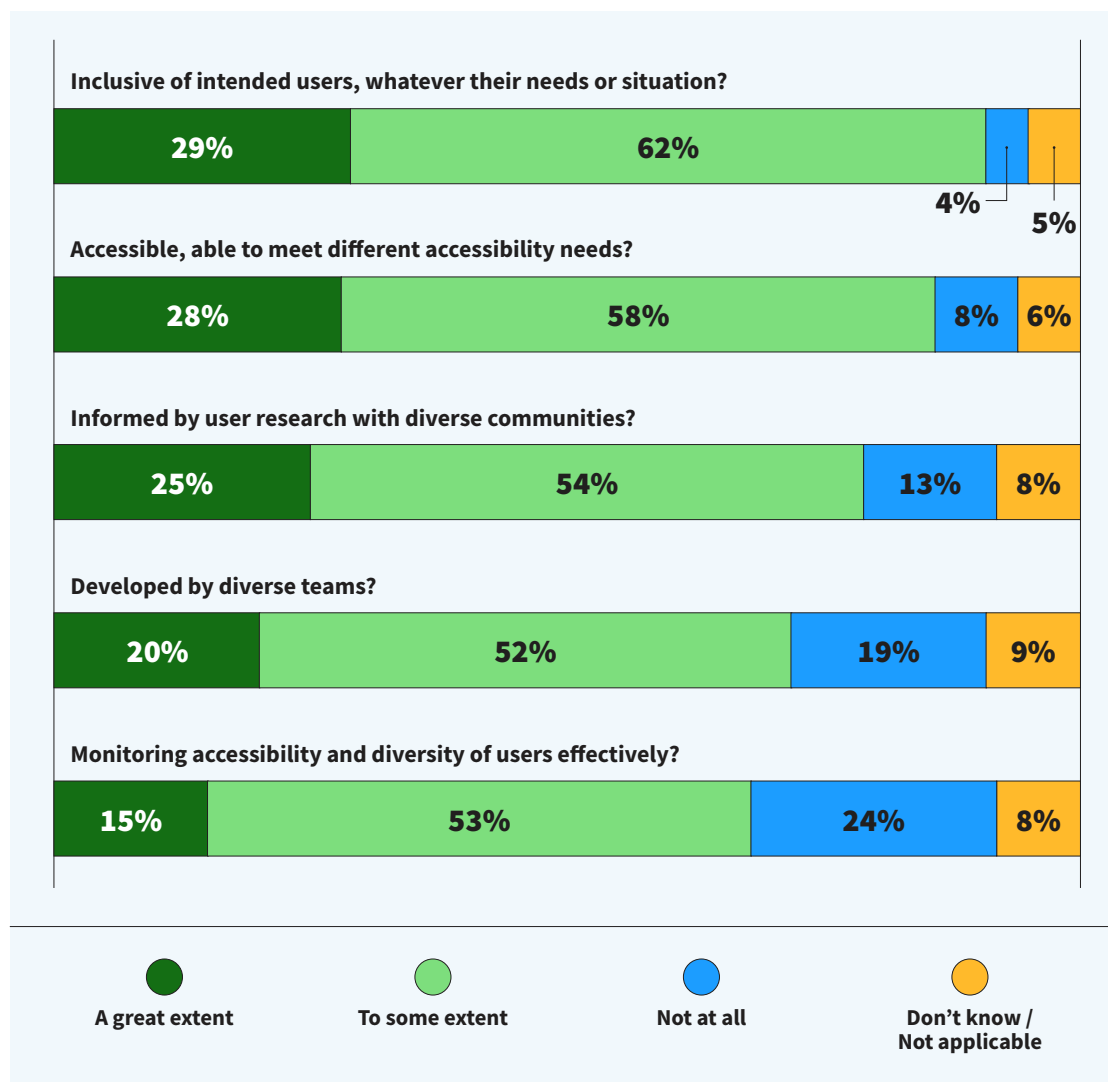
In totality, this data shows that charities need support to improve how they evaluate digital services. They also need to develop and embed agile ways of working and service design approaches.



To what extent do you feel that the design and delivery of your online (and alternative offline) services, digital tools or products are ...[inclusive and accessible]?

A quarter of charities who develop digital products and services in-house are poor at monitoring the diversity and accessibility of their users.

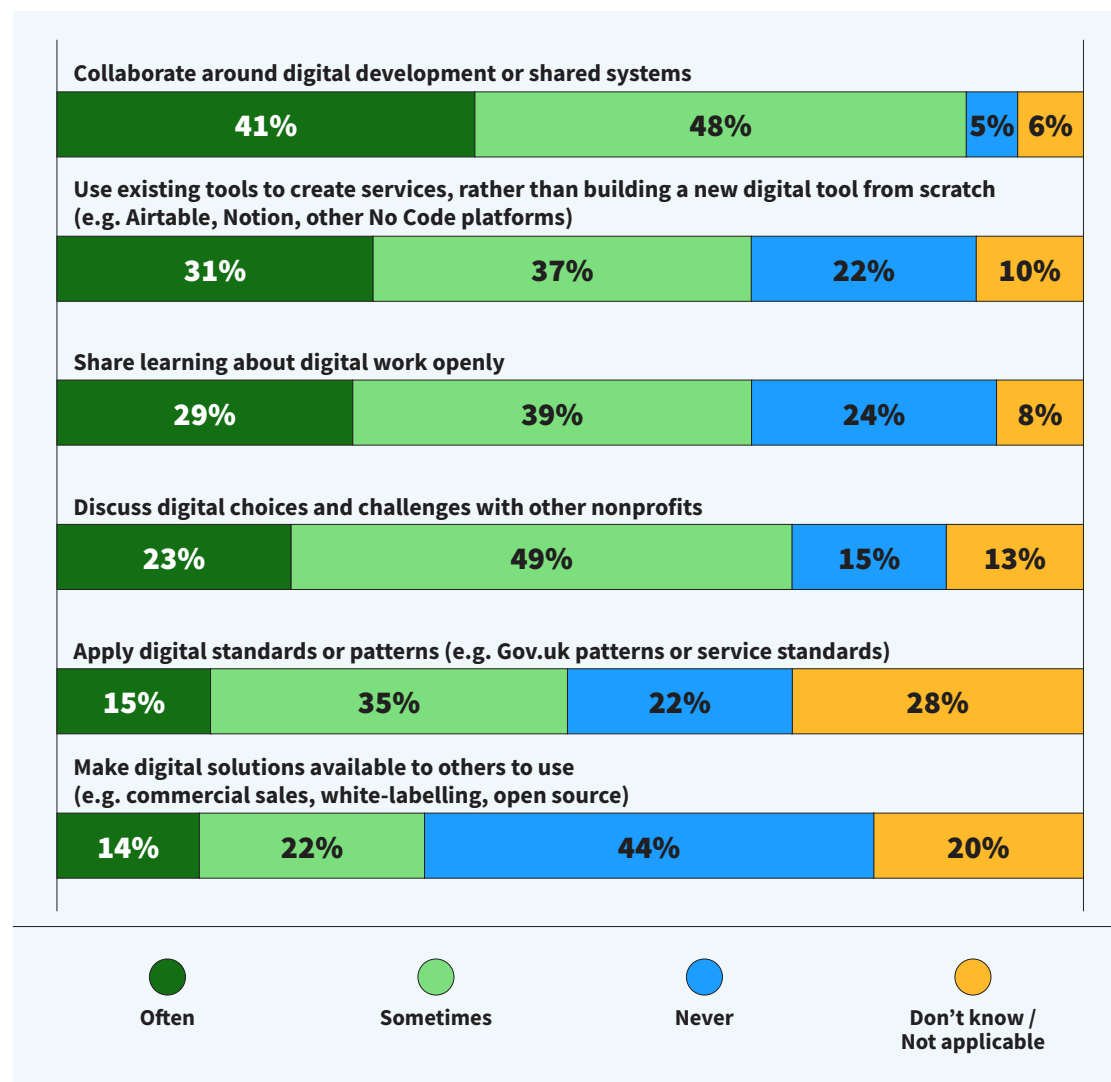
- This question was part of a filtered section, answered by approximately 80 charities who develop digital services in-house. The following statistics relate to this group, rather than the 504 who answered the survey.
- It's encouraging that 29% of charities think that their products and services are inclusive to a great extent.
- Almost 1 in 5 (19%) say that products and services are not developed by diverse teams, although over half (54%) say that development is informed by user research with diverse communities to some extent.
- More than half (58%) say that their products and services are accessible to some extent and over half (53%) feel that they are monitoring accessibility and diversity of users effectively.
- These findings are all very similar to the situation in 2022.



Do you typically do any of the following?

Charities are collaborating around digital and there's potential to build on this culture of learning in the sector. For example, 44% never make digital solutions available to others and a quarter are not sharing their learning openly.

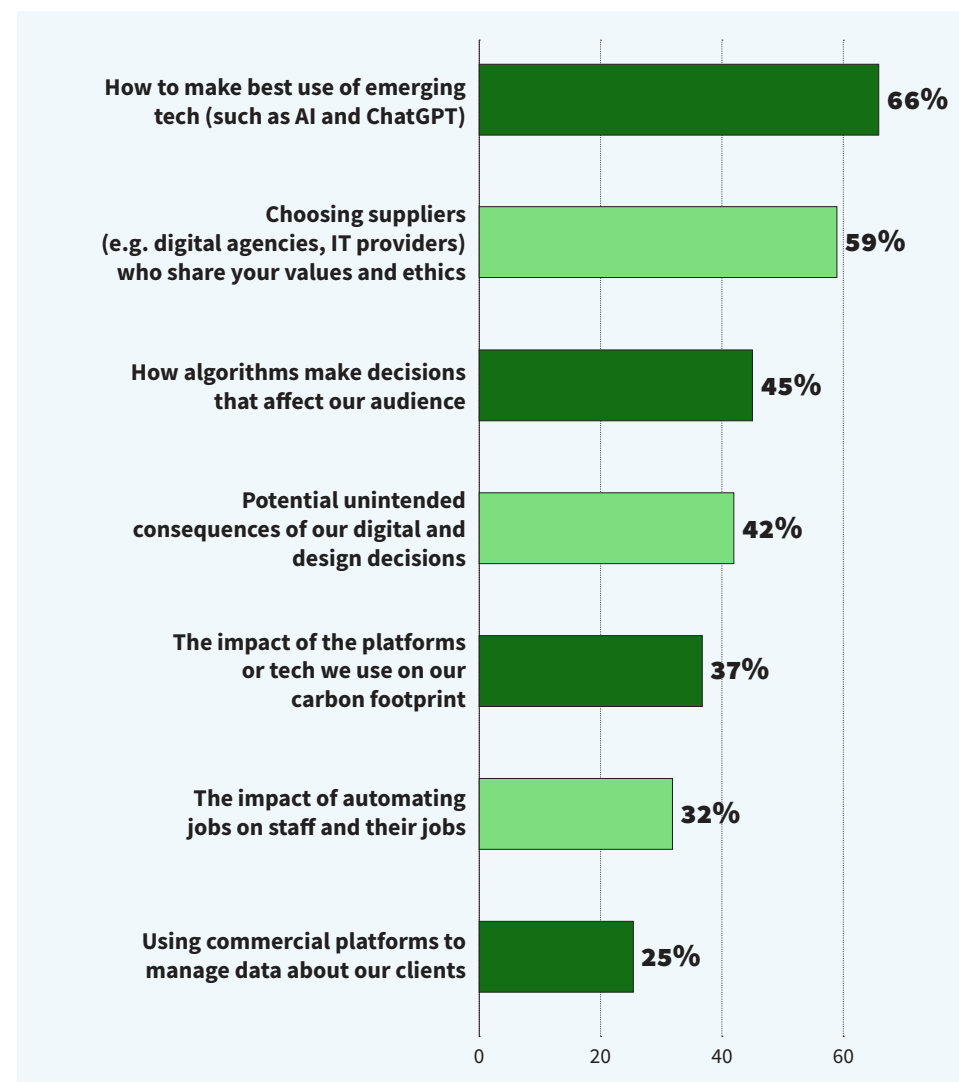
- This question was part of a filtered section, answered by approximately 80 charities who develop digital services in-house. The following statistics relate to this group, rather than the 504 who answered the survey.
- Encouragingly, 41% say that they often collaborate around digital development or shared systems, compared to only 9% saying they collaborated with other nonprofits around digital development last year. It's exciting to see collaboration becoming the norm.
- It's also positive that almost a third (31%) often use existing tools and other no code platforms to develop services, although this is slightly less than the 37% who did this frequently last year.
- Over a third (35%) sometimes apply digital standards or patterns, similar to the 37% last year.
- However, 44% never make digital solutions available to others, which is slightly less than the 51% in this category last year but still a missed opportunity. Similarly, 24% never share learning about their digital work openly.
- It's good to see that almost half (49%) sometimes discuss digital choices and challenges with other nonprofits, with 23% doing this often.



Is your organisation actively concerned about any of the following issues surrounding technology?

Two thirds of charities want to know more about using emerging tech such as AI and ChatGPT.

- This question was part of a filtered section, answered by approximately 80 charities who develop digital services in-house. The following statistics relate to this group, rather than the 504 who answered the survey.
- The biggest issue surrounding technology this year, for two thirds (66%) of charities, is how to make the best use of emerging tech such as AI and ChatGPT, indicating the potential for use of these tools across the sector. Only 15% were interested in emerging technologies in 2022.
- Almost 6 out of 10 (59%) are keen to choose suppliers that share their values and ethics, a slight increase on the 55% last year. This is the second biggest concern for charities.
- 45% want to know how algorithms might affect their audience, a significant increase from 25% last year, whilst 42% are interested in unintended consequences of digital and design decisions, compared to 46% last year.
- 37% are keeping an eye on their tech carbon footprint, up from 27% last year.
- Almost a third (32%) are concerned about the impact of automation on staff and their jobs.
- 25% are looking at how commercial platforms manage data about their clients.

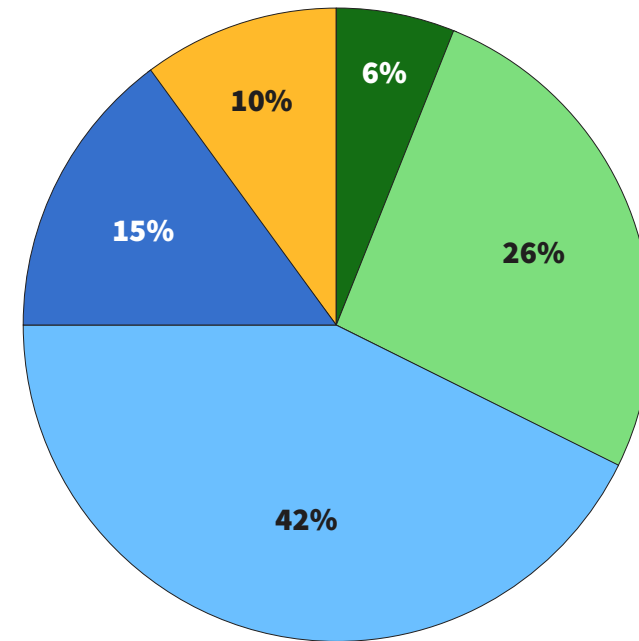


Leadership

How would you rate your board's digital skills and understanding overall? (Select one only)

Over half of charity boards have low or limited digital skills, with significant room for improvement.

- There is still potential to grow trustees' digital skills. 57% have skills that are either low or have room for improvement. This is better than the 64% last year, but there is still a long way to go.
- Encouragingly, 26% have good skills and engage with digital, compared to 21% last year. 6% are excellent, the same as last year.
- The results are relatively similar for small and large charities.
- When we look at the 222 charities delivering digital services, the results are still similar, with only 40% saying their board has good or excellent digital skills.
- Those developing in-house digital products and services give a higher rating for their board's digital skills and understanding overall. For these 78 charities, 19% say their board has excellent digital skills and 25% say they are good. In comparison, for those 144 delivering digital services using third-party platforms, 6% say their board has excellent digital skills and 32% good. For those 226 charities that are not delivering digital services, 2% say their boards' digital skills are excellent and 23% say good.



I don't know what digital skills they have

Low
There is little digital understanding, interest or support from our board

Could improve
They have some interest in digital but need to develop more skills

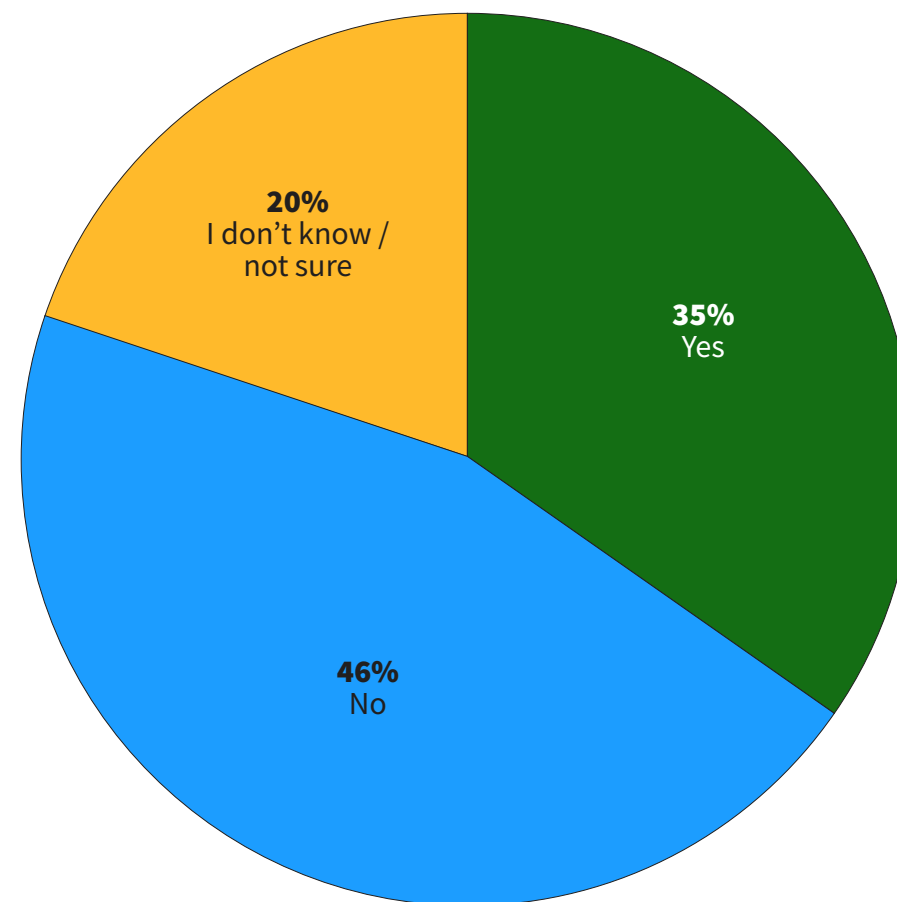
Good
They are engaging with digital and have some digital skills

Excellent
They are digitally savvy and see digital as a priority

Do you have at least one person with relevant digital expertise at board level (e.g. a digital trustee)?

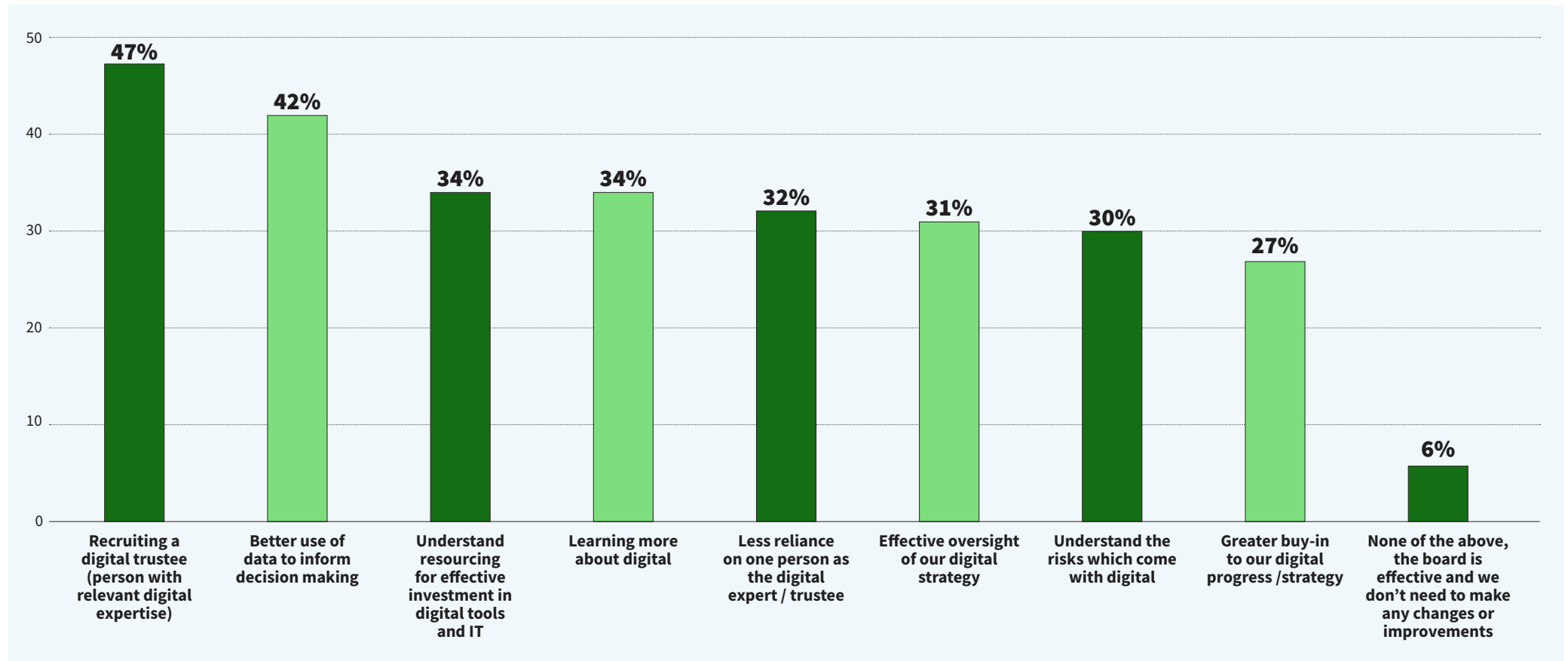
Close to 50% of charities do not have anyone with the right digital skills amongst their trustees.

- Almost half (46%) don't have anyone with digital expertise on their board. This is a major concern if charities are looking to progress with digital.
- Just over a third (35%) do have someone with digital skills on their board.
- 1 in 5 are not sure whether they have a trustee who fits this criteria or not.
- For those 222 charities delivering digital services, 38% still have no digital expertise at board level. Importantly however, for those developing and delivering digital services in-house (78 charities), half (53%) have digital expertise on their board.
- Trustees are critical to charities' strategy, scrutiny and support. Since our report began in 2017, we have seen a consistent, and significant, digital skills gap on boards. This poses a risk to the sustainability of charities, not least because these demands will only increase given the growth of AI.



Would any of the following improvements at trustee/board level help your organisation progress with digital?

Almost half of charities say that a digital trustee would help them progress with digital.

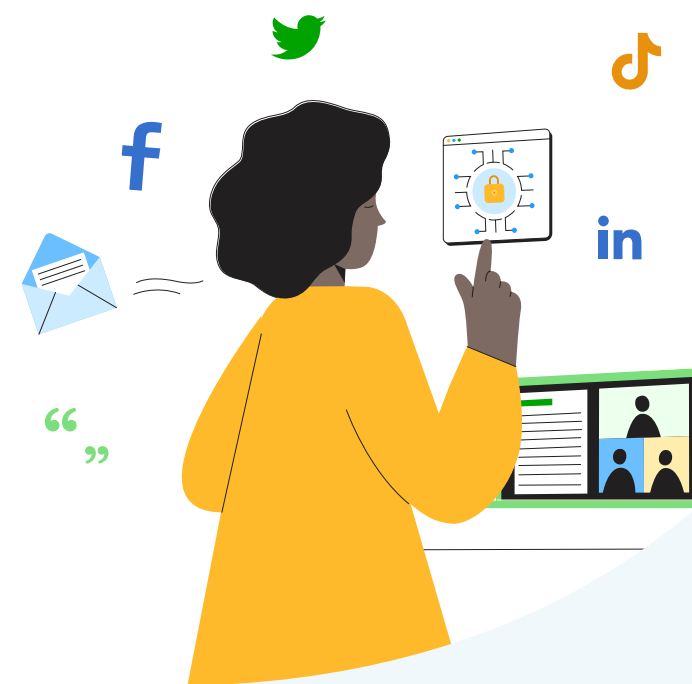


Would any of the following improvements at trustee/board level help your organisation progress with digital?

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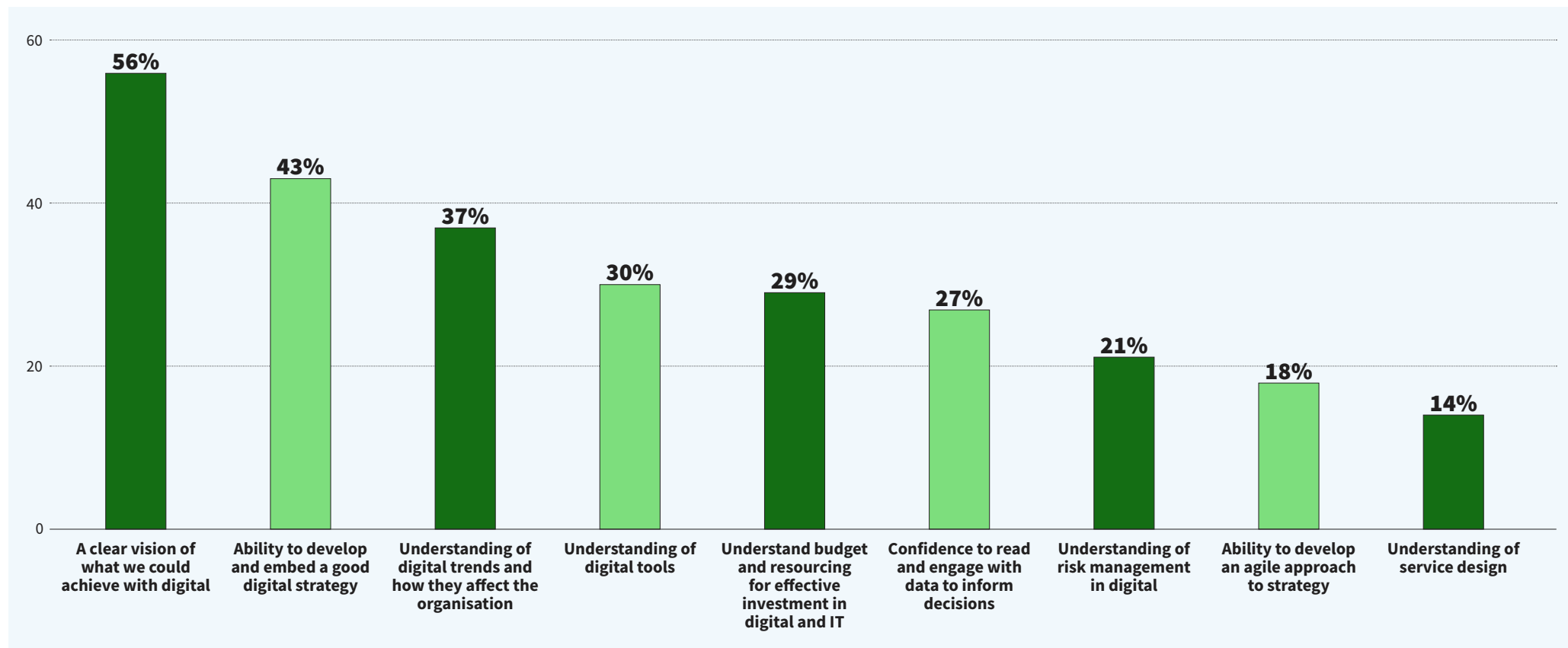
- Close to half (47%) feel that recruiting a digital trustee could assist their digital progress.
- However, it is worth noting that of the 158 charities who have digital expertise at board level, 36% say their digital skills at board level still need to improve and a further 9% say skills are low. In other words, having digital expertise is helping, but not solving the problem of low digital skills amongst board and trustee members.
- 42% say there is a need for more data informed decision making at board level.
- Charities are aware of the challenge that their board poses to their digital progress, with 34% citing a need to understand digital and IT resourcing, 31% keen for better oversight of their digital strategy, 30% wanting better understanding of digital risk, and 27% keen to have greater levels of buy-in for their digital strategy.
- Over a third (34%) feel that if trustees were learning about digital and were less reliant on one digital expert at board level (32%) then this would lead to positive developments for their charity.
- Only 6% feel that their board is effective in this area and doesn't need to change.

“There are very few staff in my organisation with anything beyond very basic skills, and many with a ‘fear’ of digital (can’t learn it/might break it). However, there is also a justification (coming from the CEO) that ‘I don’t do digital’/‘I never use a spreadsheet’ is an acceptable approach. Many staff including the CEO are ‘patting themselves on the back’ for having moved to remote working/MS Teams during COVID, as if that is a ‘breakthrough’ in digital.”



What skills, knowledge or behaviour would you most like your CEO (or yourself if you are the CEO) to develop in order to progress further with digital?

For the fifth year running, charities would most like their leaders to provide a vision of what digital can help them achieve.

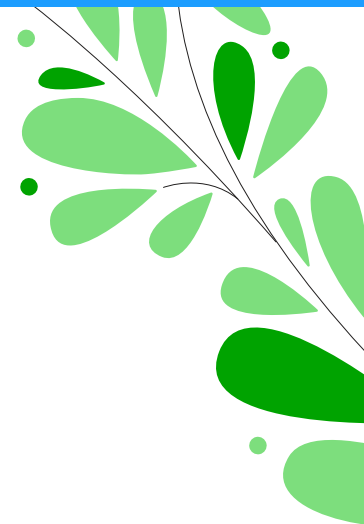


What skills, knowledge or behaviour would you most like your CEO (or yourself if you are the CEO) to develop in order to progress further with digital?

For the fifth year running, charities would most like their leaders to provide a vision of what digital can help them achieve.

- Once again, more than half of charities (56%) told us that the number one thing they want from their leaders is a clear vision of what their organisation could achieve with digital. This is similar to the 58% last year. It is the fifth year running that charities have told us they need leaders to define a vision for digital and it is worrying that this hasn't changed since 2019, especially given the scale of digital adoption during the pandemic.
- 43% would like their leaders to embed and develop a good digital strategy, similar to last year.
- Just over a third (37%) would like leaders to understand digital trends and how they could affect their charity. Again, this is similar to last year and demonstrates why leaders must allow time for horizon scanning and thinking strategically about digital.
- Just under a third (30%) want their leaders to understand digital tools.
- A similar number (29%) want leaders to understand the investment needed for digital transformation, as well as get a better understanding of data (27%). All are similar to what people expected of leaders in 2022 and 2021, showing how some leaders have not developed these skills.
- Surprisingly, only 14% expected their leaders to have an understanding of service design.
- The results are similar between small and large charities.

These results show how all charities want their leaders to develop a greater strategic vision and a better focus on and understanding of digital.

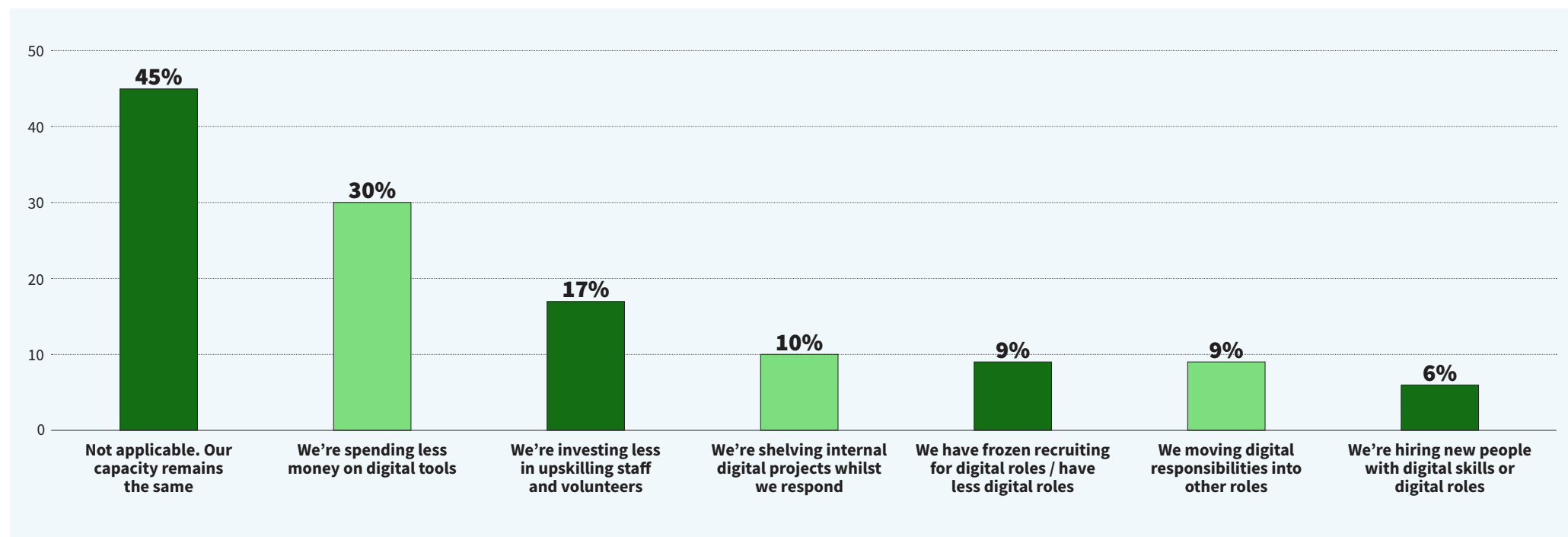


Cost of living

This year we wanted to find out what impact the cost of living crisis is having on charities' digital progress. We discovered a mixed picture across the sector.

Is the cost of living crisis affecting your organisation's progress with digital or use of digital tools in any of the following ways?

30% of charities are spending less money on digital tools.



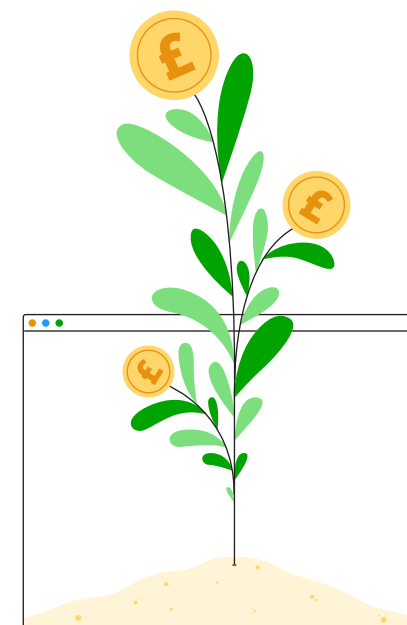
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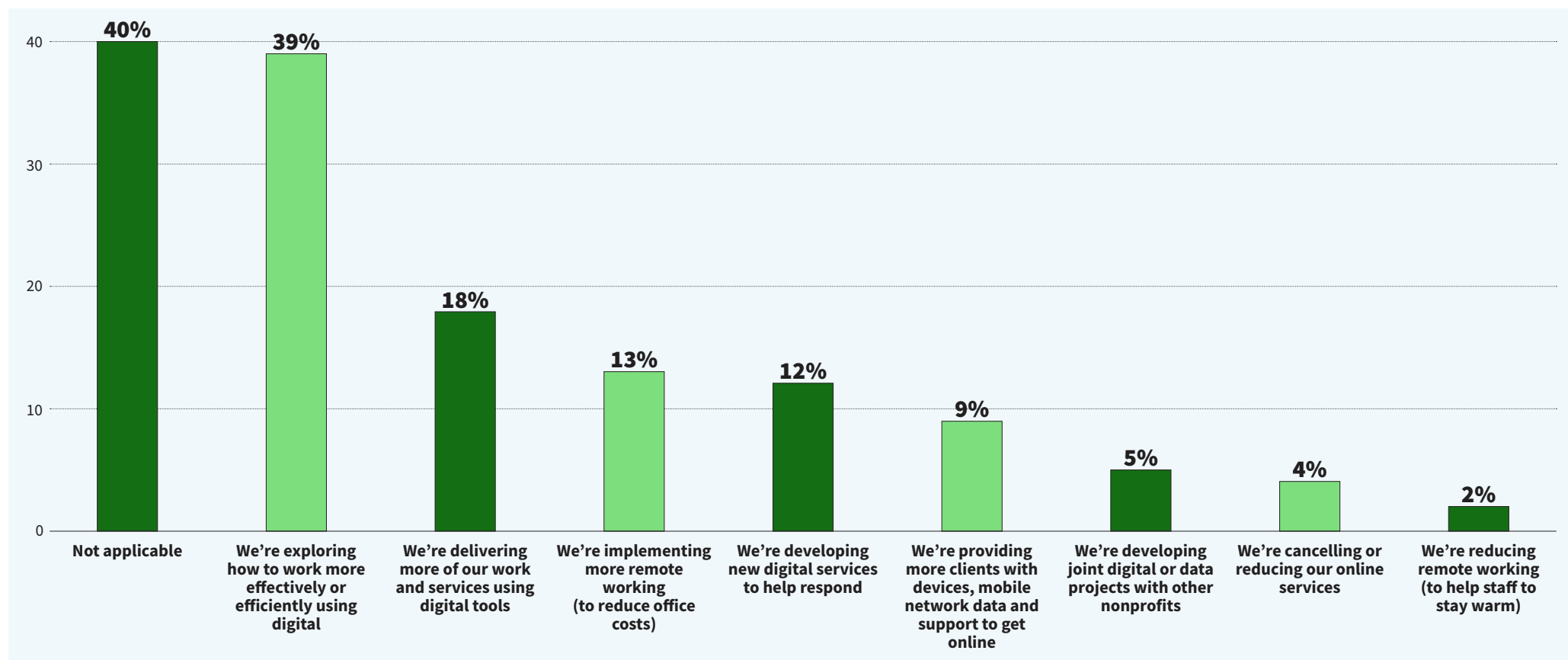
- Almost half of charities (45%) feel that the cost of living crisis has not affected their digital capacity. In other words, more than half (55%) indicate how the cost of living crisis has negatively affected their digital capacity.
- However, 3 out of 10 are spending less money on digital tools, 17% are spending less on upskilling staff and volunteers, and 10% are shelving internal digital projects.
- Recruitment has been impacted for some charities, with 9% freezing recruitment or having fewer digital roles and the same number moving digital responsibilities into other roles. 6% are hiring new people with digital skills or roles.
- Importantly, there were no differences in responses from small or large charities, or from those more or less advanced with digital.
- The cost of living crisis is having a greater effect on organisations that were already early stage with digital. Digital capacity has remained the same for 66% of those advanced and 48% of those advancing, compared to 40% of those starting out and 38% of those at the curious stage.

“For us, and I suspect many others, digital stuff is a ‘nice to have’ thing but absolutely not a priority. Our funding is currently extremely precarious – during Covid there was loads of extra funding – cost of living crisis means our costs and wage bill is rising significantly at a time when donations have dropped and funding is far harder to get.”



Is your organisation responding to the cost of living crisis in any of the following ways?

Almost 40% of charities are using digital to work more efficiently during the crisis.



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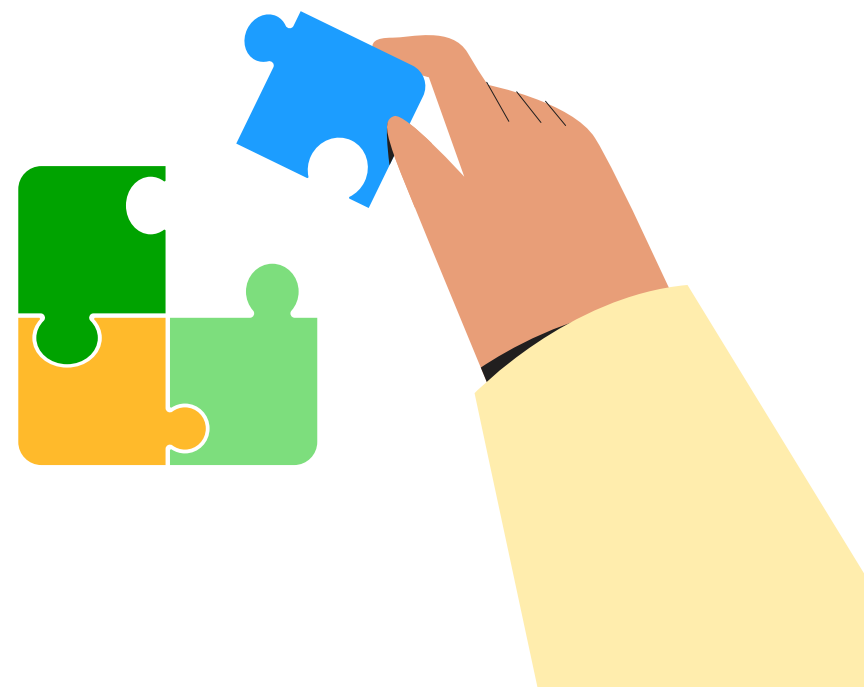
- Close to 4 out of 10 (39%) are exploring how to use digital to work more efficiently and effectively
- However, only 18% are succeeding in delivering more of their work and services using digital tools.
- Despite rising costs of bricks and mortar, just 13% are implementing more remote working to reduce office costs.
- In contrast to the pandemic, only 12% of charities are developing new digital services to help with the crisis response and only 9% are providing clients with devices or data to get online.
- Only a very small proportion of charities are developing joint digital projects with other nonprofits (5%).
- It is positive to see that only 4% are cancelling or reducing online services.

The answers to this question show that there is potential for more charities to explore how digital could help save them time and money. For those organisations acutely affected by the cost of living crisis, prioritising this will be challenging amidst reduced budgets for internal core costs and limited funding or capacity internally to do so.

Charities also told us that:

“We’re struggling to increase our unrestricted reserves, which means we’re not able to invest in digital or data analysis.”

“Every £ raised goes to service delivery, none is considered for digital investments.”



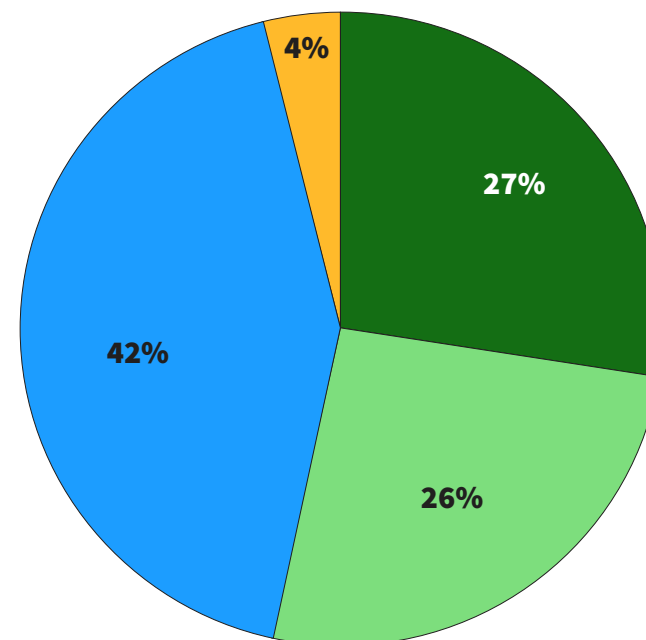
Artificial intelligence

AI has been high on the news agenda since our survey closed. So we decided to run a flash poll to find out how charities were responding to these developments. This was taken by 100 respondents. More than half of the charities (52%) who took our flash poll were large, whilst 42% were small.

Are you or your charity currently using AI in day-to-day operations?

Just over 1 in 4 charities are using AI operationally.

- More than 4 out of 10 charities (42%) are not using artificial intelligence operationally.
- However, just over 1 in 4 (27%) are using AI. A similar number (26%) are not using it yet, but are planning to.
- 64% of large charities are currently using or plan to use AI in their day-to-day operations, compared to 44% of small charities. This indicates how AI could potentially create inequalities if larger charities are more likely to benefit from it.



●
Not sure

●
No

●
Not yet, but
we plan to

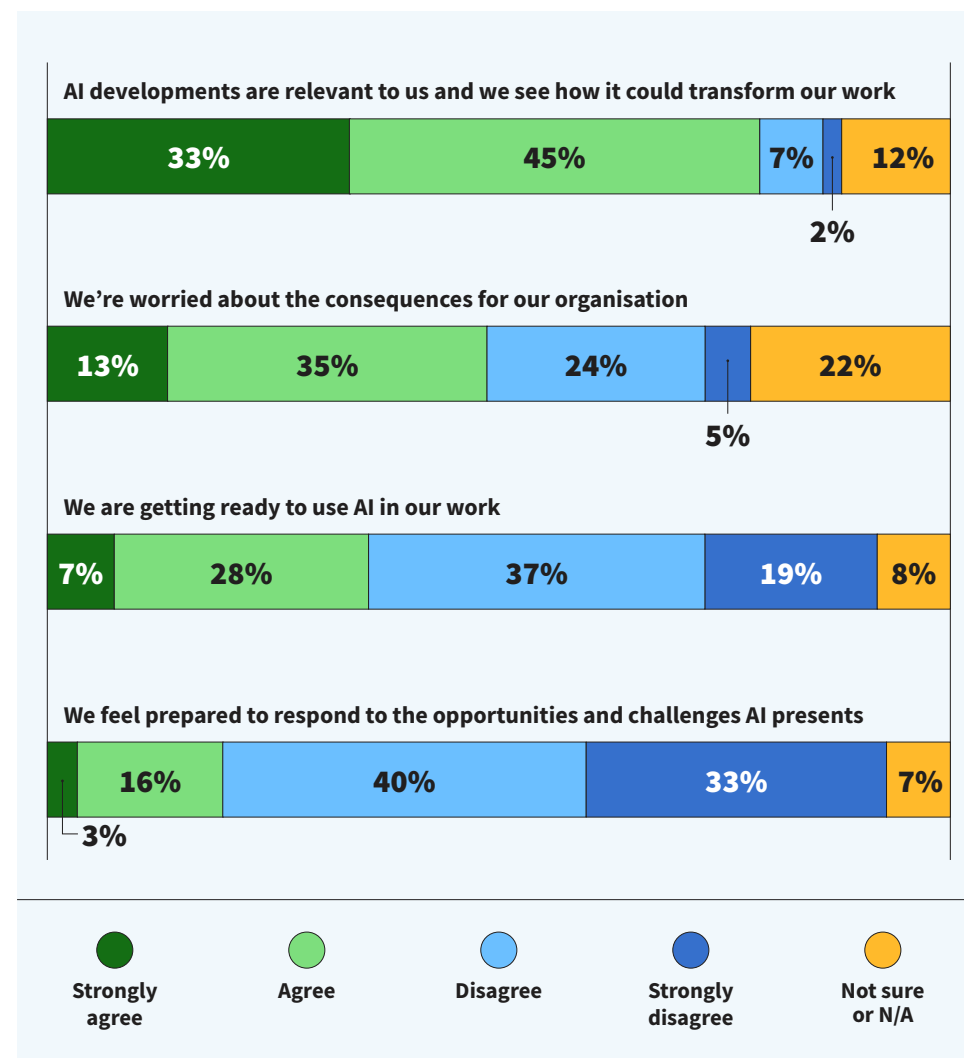
●
Yes

To what extent do you agree with the following statements?

The majority of charities (78%) agree that AI is relevant to their charity and could transform it, yet 73% say they don't feel prepared to respond to the opportunities and challenges it brings.

- Three quarters of charities (78%) either strongly agree or agree that AI is relevant to their organisation and could transform how they work. Large charities are more likely to agree with this, with 98% saying AI is relevant to them and could transform their work, compared to 58% of small charities.
- Despite this, almost three quarters (73%) disagree or strongly disagree that they feel prepared to respond to the opportunities and challenges that AI brings.
- Only 19% feel that they are prepared for AI.
- On a similar theme, just over a third (35%) are getting ready to use AI in their work, whilst more than half (56%) say they are not (they disagree or strongly disagree).
- Views on the consequences of AI for charities are mixed. Almost half (48%) either strongly agree or agree that they are worried about this. 29% either disagree or strongly disagree with this, whilst just over 1 in 5 (22%) are not sure.

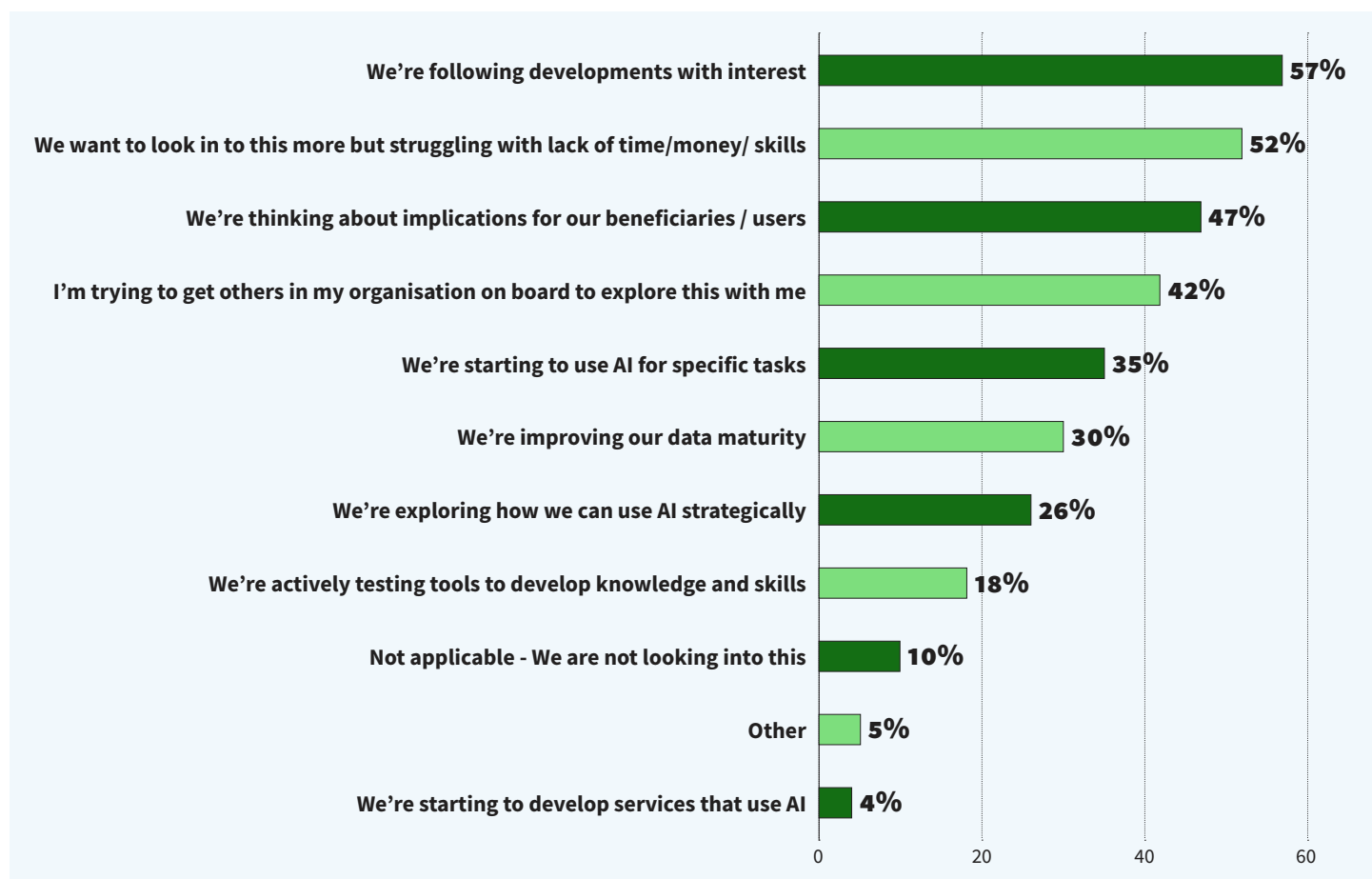
These answers show that charities recognise AI is relevant to them and are concerned about what AI could mean for the future of their organisation, but are not yet on the front foot with how to seize the opportunities or mitigate the risks. It's interesting to compare these results with the findings from our main survey in which more than half (56%) of charities said they are poor at keeping up to date with digital trends such as TikTok and ChatGPT.



Are you or your charity exploring how it could use AI in any of the following ways?

57% of charities are following AI developments with interest but more than half are being held back by lack of time, money and skills.

- Reinforcing what we learned from the last question, more than half (57%) of charities are following AI developments and 47% are considering the implications that AI might have for their users.
- Other responses explain why charities may be struggling to engage. 52% want to look into AI more but are constrained by lack of time, resources and skills, whilst 42% are trying to get colleagues to engage.
- More than a third (35%) are already using AI for certain tasks.
- Encouragingly, some charities are taking action to improve their readiness for AI, with 30% improving data maturity, 26% exploring how to use AI strategically and 18% testing tools to develop knowledge and skills.
- So far, only four charities are starting to develop services that use AI.
- Only 10% say they are not looking into AI in any way.

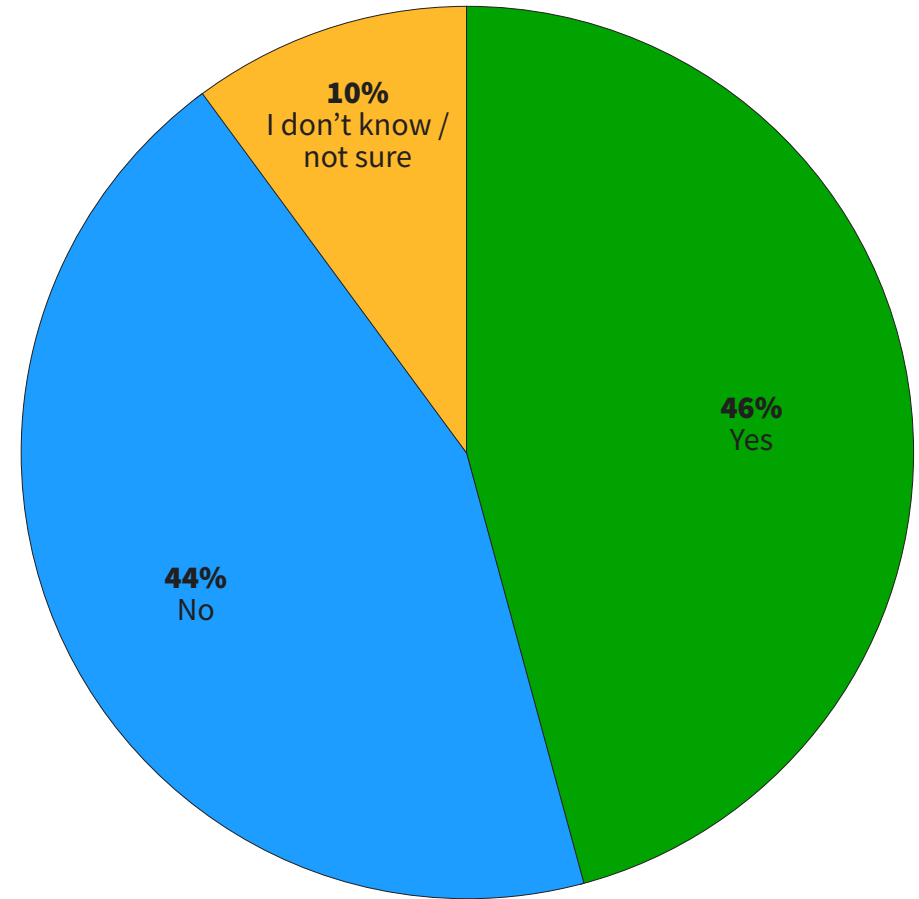
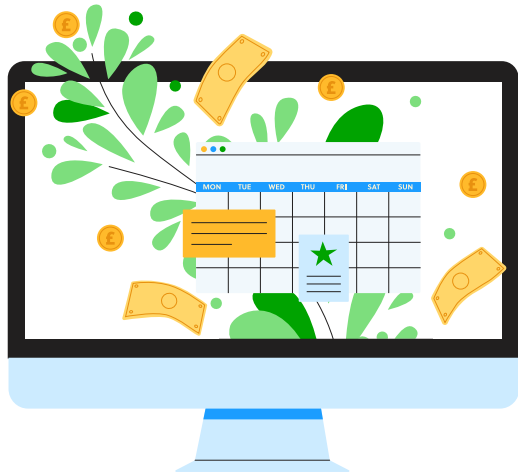


Funding

Do you apply for grants to cover digital costs of any kind from charitable trusts and foundations?

46% of charities are looking to access grants from funders to cover digital costs.

- 46% have applied for grants to cover digital costs, whilst 44% haven't.
- 10% are not sure if they have or not.
- This was a filter question. The 214 organisations who said 'yes' were asked further questions about funding. An average of 208 responded to these.



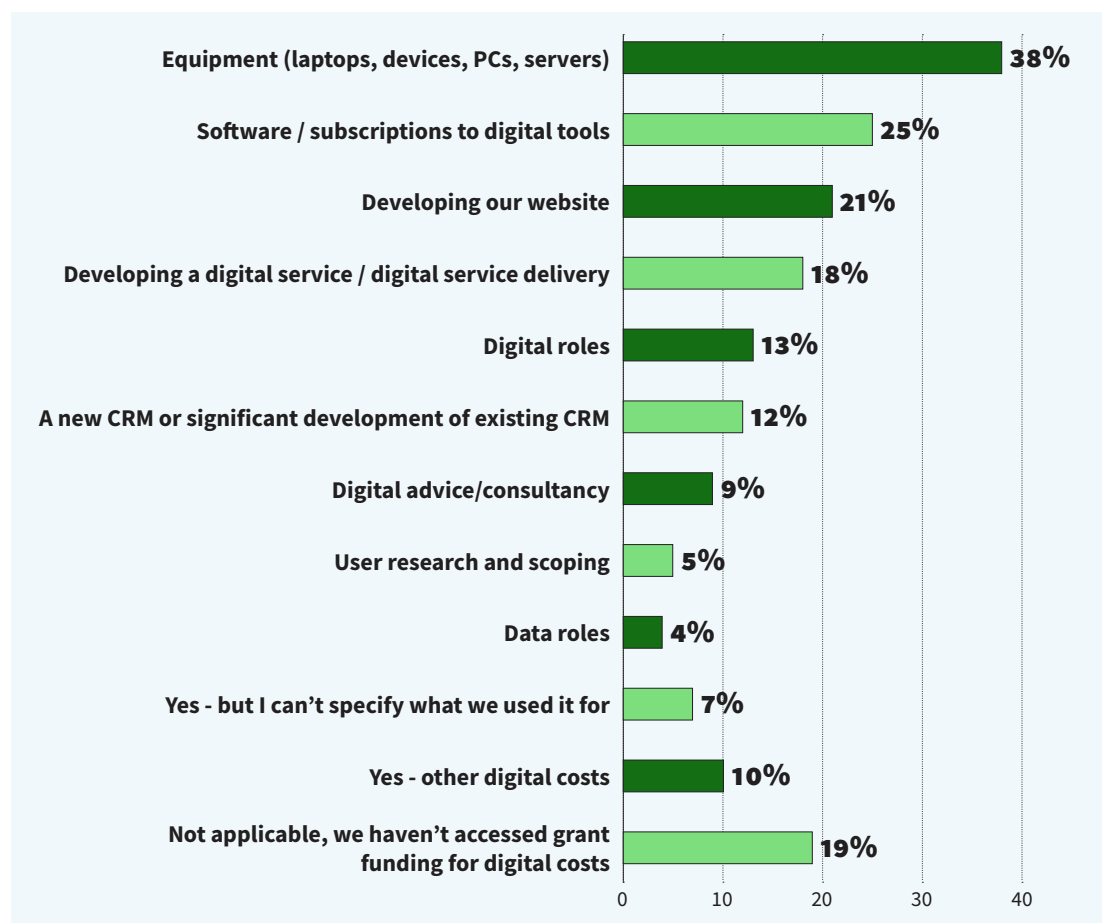
Have you accessed grant funding for any of the following digital costs in the past year?

Close to 40% have accessed funding for laptops and devices this year.

- This filtered question was answered by 208 charities who applied for funding for digital costs this year. All percentages relate to those who answered (rather than the 504 who responded to the survey overall).
- Almost 4 out of 10 (38%) have accessed grant funding for laptops and other devices, whilst 1 in 4 (25%) have sought funding for software and subscriptions.
- Only 12% have found funding for a new CRM, despite 54% of the 504 completing the survey saying their CRM is causing significant challenges to their organisation.
- Just over 1 in 5 (21%) have had funding for developing their website and 18% for digital service delivery, with 5% getting funding for user research.
- Only 13% have had funding for digital roles, 9% for consultancy and 4% for data roles.

These results are surprising given that over half of respondents say their CRM is creating significant challenges for their organisation.

“As funders generally aren’t interested in investing in organisational development and expect us to keep core costs to a minimum, it is really hard to get digital development to the top of the priority list.”

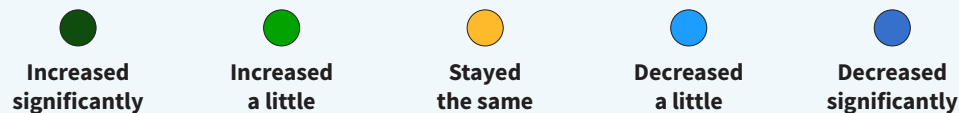
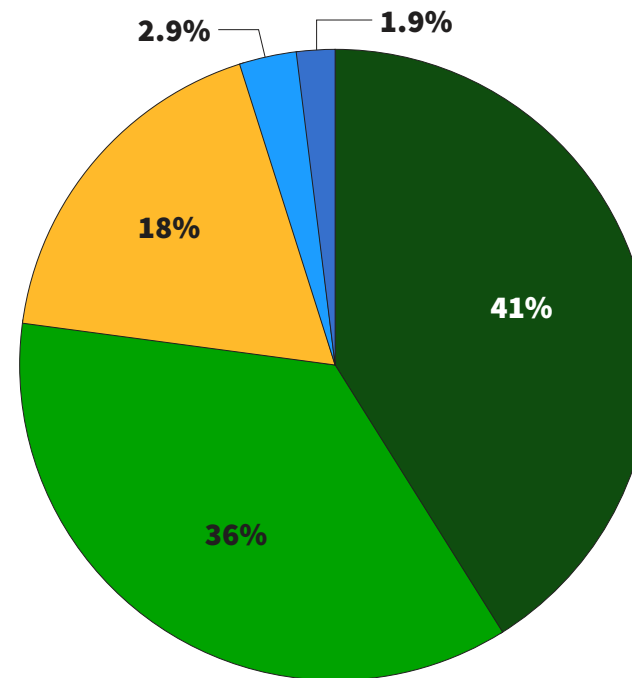


In the last year, would you say your need to access grant funding for digital costs has changed?

More than 4 out of 10 charities say their digital funding needs have grown significantly, representing an increase from last year.

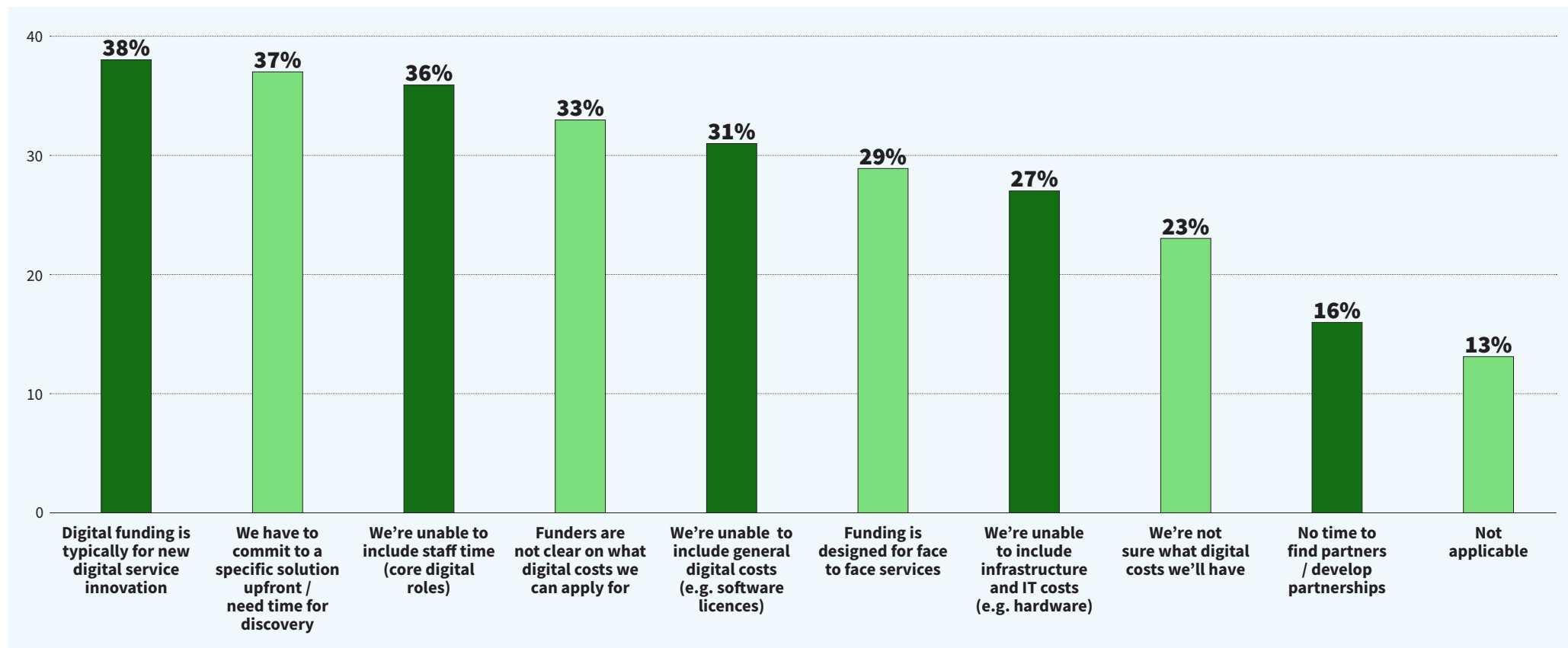
- This filtered question was answered by 206 charities who applied for funding for digital costs this year. All percentages relate to those who answered (rather than the 504 who responded to the survey overall).
- The number of charities whose digital funding needs have increased significantly has risen this year. In 2022, 33% said that their needs had increased significantly, compared to 41% this year.
- 36% said that their needs have grown a little, slightly less than 40% in this category last year.
- 18% say that their needs have stayed the same. This has declined from 26% last year.
- A mere 3% say that their needs have decreased a little and 2% say they have decreased significantly.

These answers could indicate the impact of the cost of living on charities' needs for digital funding.



In the last 12 months, have you experienced any of the following challenges when applying for funding and including digital costs in applications?

Charities need funding for core digital costs, with more than a third needing funding for staff time.

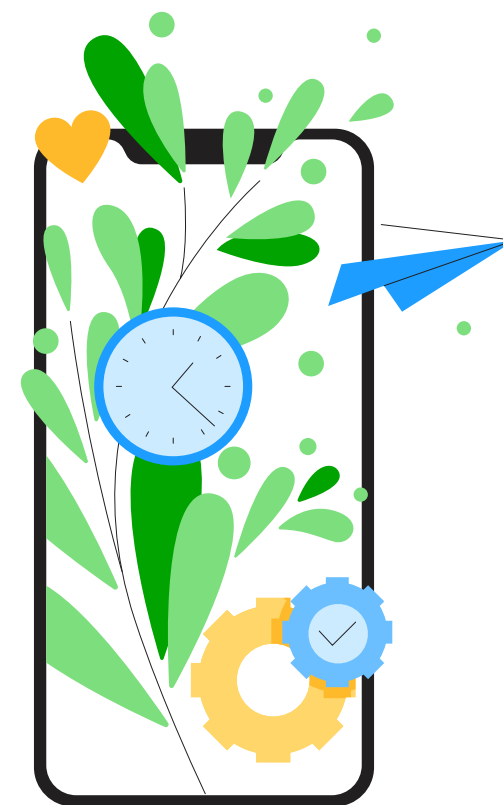


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- This filtered question was answered by 206 charities who applied for funding for digital costs this year. All percentages relate to those who answered (rather than the 504 who responded to the survey overall).
- More charities than last year, and notably over a third, feel that funding is designed for digital service innovation (38% compared to 29% last year).
- Almost 4 out of 10 (37%) are concerned that they have to commit to a solution upfront, feeling that they need time for discovery. This is a slight increase on 33% last year.
- The theme of charities feeling frustrated about lack of funding for core digital costs has continued from last year, with 36% worried that they can't include staff time for core digital roles, 31% unable to include general digital costs such as software licences and 27% not able to include IT costs.
- A third (33%) say funders need to be clear on what digital costs they can apply for, indicating there is scope for better communication about this.
- 23% are not clear what digital costs they will have. This has dropped significantly from 41% last year.
- 29% say that funding is designed for face-to-face services, up from 23% last year.

“I just wish funders saw the need for funding digital in of itself. We have utilised it really well up to now, but when you grow and being volunteer based you need to have a roadmap of what to do next, what you do need to invest in and when you have people with lived experience running grassroots digital organisations you need mentoring support.”



Have you experienced any barriers or discrimination when accessing digital funding or support?

This open question gathers insights into any barriers that charities might be facing, relating to equality, diversity and inclusion. These highlighted a lack of digital funding overall, as well as a lack of accessible and appropriate funding for small charities or organisations that support specific marginalised communities. Responses fell into three categories.

Difficulties accessing funding and support due to resource constraints

“Lack of internal capacity and expertise makes it challenging to identify next steps, and then apply for funding to realise these goals.”

“As a small charity it feels harder to access digital funding, there seems to be a preference for organisation size (larger).”

“It has been hard to know where to start with digital funding and support.”

“A lot of free accessible training is geared at London based charities.”

Challenges accessing funding due to additional needs

“The groups we work with are often digitally excluded. Elderly clients who aren’t engaging with digital and socially/economically disadvantaged who have no access to connected devices.”

“As an autistic person, it has been almost impossible to successfully apply for funding or support.”

“Chronic fatigue and AuADHD means I struggle to complete application forms and interact with the methods of connecting with organisations who offer digital expertise and resources.”

Digital funding limitations

“Very hard to access money for digital. Even more tricky to get money for improving or updating digital rather than new tech.”

“We’ve experienced challenges where support is either too basic, assuming as a small charity we have very low competence, or too ‘big’ for us.”

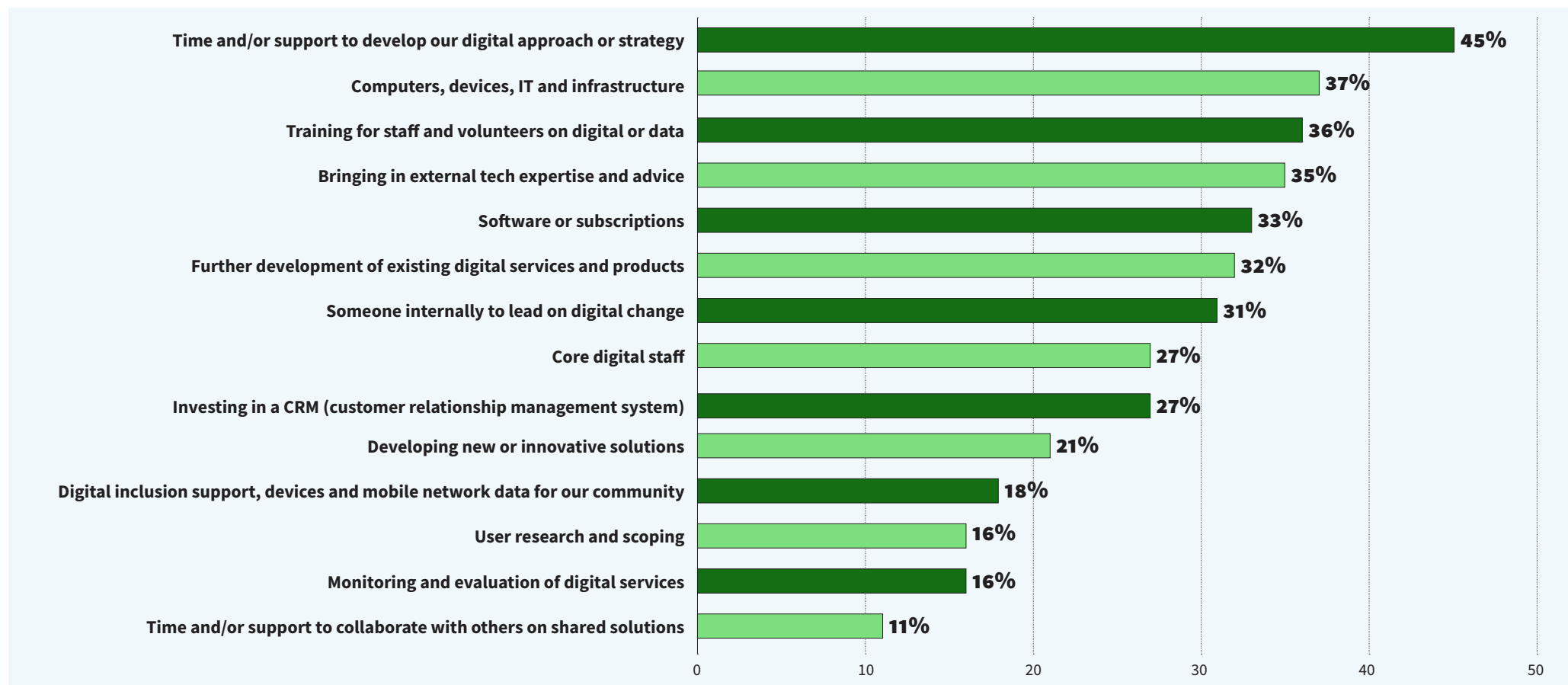
“Funders want to support generic digital provision, not targeted for specific BMER communities such as ours.”

“We have some barriers to access innovation funding e.g. Ufi Voch Tech. They follow a proof of concept model/challenge fund process which is relatively new for charities in Wales (they have not worked like this before). This is proving to be a barrier.”

“Difficulties finding funding. It appears to be an underfunded area. We have needs ranging from CRM costs to data protection support, but it is very difficult to find funding for costs of products/services such as these – all funding is tied to direct social outcomes.”

To progress with digital, what are the top three things you need funding for?

A growing number of charities (45%) need funding for a strategic approach to digital. The results to this question show that there are significant digital funding needs for charities that are not being met by funders.



To progress with digital, what are the top three things you need funding for?

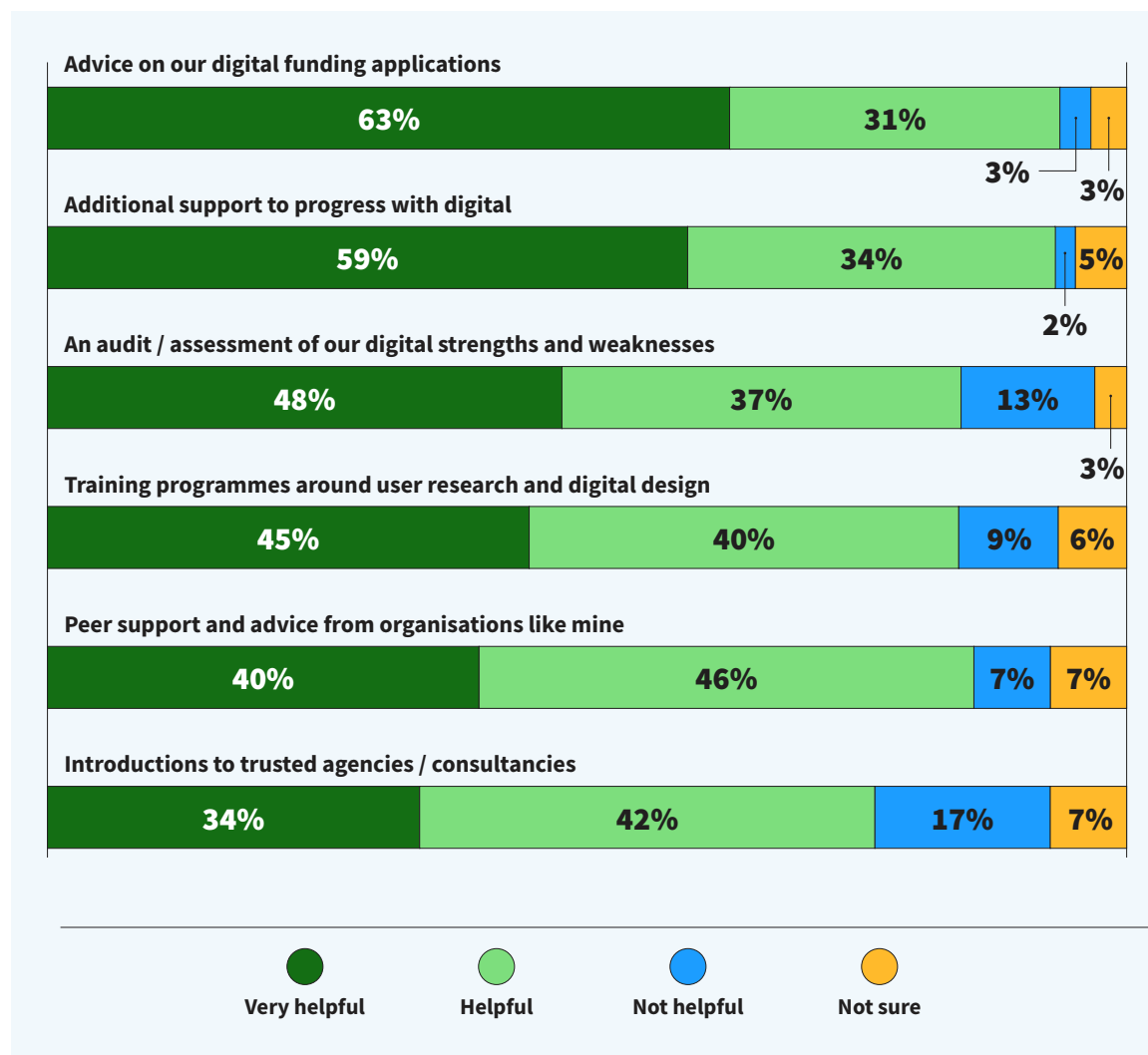
A growing number of charities (45%) need funding for a strategic approach to digital. The results to this question show that there are significant digital funding needs for charities that are not being met by funders.

- This filtered question was answered by 211 charities who applied for funding for digital costs this year. All percentages relate to those who answered (rather than the 504 who responded to the survey overall).
 - What charities need funding for most is time and support to develop a strategic approach to digital. This need has grown from 38% last year to almost half (45%) this year.
 - Over a third (37%) need funding for computers, devices, IT and infrastructure. This is a similar number to last year, showing that this is a key area of demand from funders.
 - Charities need funding for skills, including training staff and volunteers (36%) and bringing in external expertise (35%). The latter need has grown from 25% last year, showing the need for access to advice.
 - Similarly, close to a third of charities (31%) need someone to lead on digital change and just over a quarter (27%) need funding for core digital staff. However, the previous question shows that only 13% of charities have accessed funding for digital roles. These numbers are similar to last year, indicating that this is still an unmet need and that this need is growing.
- Charities also require funding for digital tools. A third need funding for software and subscriptions (33%) and 27% for a CRM.
 - There is also a cluster of needs for funding to improve digital services, including development of existing products and services (32%), developing innovative solutions (21%), user research (16%) and monitoring or evaluation of services (16%).
 - The need for funding for digital inclusion support has declined from 24% to 18% this year.
 - It's surprising that just 11% want time or support to collaborate with others on shared solutions as this could help stretch funding further.

How helpful would you find it if funders offered the following types of support for digital?

Almost two third of charities need advice about digital funding applications, showing the need to make this process accessible.

- This filtered question was answered by 209 charities who applied for funding for digital costs this year. All percentages relate to those who answered (rather than the 504 who responded to the survey overall).
- Charities have a growing need for advice from funders about digital funding applications. Almost two thirds (63%) would find it very helpful to have this, an increase on the 47% who needed application advice last year.
- More than half (59%) would find additional support to progress with digital very helpful, whilst almost half (48%) say that support for an audit of their digital strengths and weaknesses would be very helpful, a similar number to last year.
- Charities would also find the following forms of support very helpful: user research and digital design training (45%, up from 38% last year), peer support and advice from similar organisations (40%) and introductions to trusted agencies and consultancies (34%, a slight increase from 31% last year).



Do you want to tell us anything else about your experiences of applying for funding for digital?

In this free text question we asked charities to share their experiences. The 33 responses were incredibly varied, but there were key consistent themes. Most common was the challenge of identifying funders who will support digital projects or what costs they will cover, especially if the criteria is not clear. Some also referenced their poor success in attracting digital funds, citing that funders preferred face-to-face delivery or new digital projects. Respondents told us that:

“We’ve not seen many funds that are specifically for digital... we would like to find funding to continue to upgrade our app, and obtain funding to increase content to the app, otherwise it will stagnate. It wasn’t cheap to develop, so it would be a pity to lose all the great work we have accomplished so far in the build.”

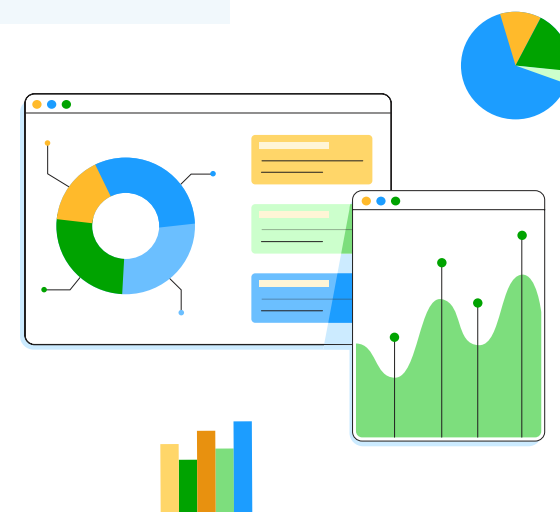
“As one of the only charity tech start-ups in the UK, our progression has hinged on key injections of venture philanthropy in our early years and social investment to keep us going. We’ve felt totally blocked and unsupported by the broader grant funding.”

“We have generally struggled to attract grant funding for digital activities.”

“Identifying funders who are pro-digital is quite challenging. It comes up time and time again in any trust fundraising hubs/groups that I am in. The question of ‘where can we go for digital funding’ rears its head weekly and there don’t seem to be many names coming forward to have managed to successfully secure funding in this area.”

Overall, most felt that funders were largely unsupportive of their digital work, ambitions and support needs. However, some also cited positive examples of change and funding they had accessed:

“We are in receipt of Power to Change’s latest Powering Up programme which covers digital – £8000 to spend on bringing on outside support, £5000 unrestricted towards our time on or off the project and £3000 on team wellbeing.”



Digital learning

In the last year, which of the following have proved most helpful when looking to progress with digital?

Charities prefer to learn about digital through self directed methods and guidance from peers.

- Continuing a trend that we saw last year, charities' preferred method of learning is self service, with almost 4 out of 10 (38%) seeking out online information or guidance.
 - Peer advice remains as the second most popular option, with the same number (31%) as last year relying on this.
 - There is a growing need for expert advice. This year, 31% said this has proved the most helpful support, increasing from 23% last year.
 - 28% use webinars and just over 1 in 4 (26%) find online training helpful, the latter being a similar number to last year.
 - A quarter (25%) find digital agency/consultancy support helpful.
- Charities also rely on a number of informal learning methods, including online communities such as Slack groups (24%), newsletters (23%) and YouTube (15%).
 - Some charities find peer learning valuable, with over 1 in 5 (23%) learning from colleagues and 15% benefiting from learning sessions with other organisations.
 - For those at an early stage with digital (curious or starting out), the most helpful sources of information have been information and guidance online, newsletters and blog posts and expert advice or mentoring.
 - For those advancing and advanced with digital, the most helpful sources are asking peers directly, information and guidance online and expert advice or mentoring.

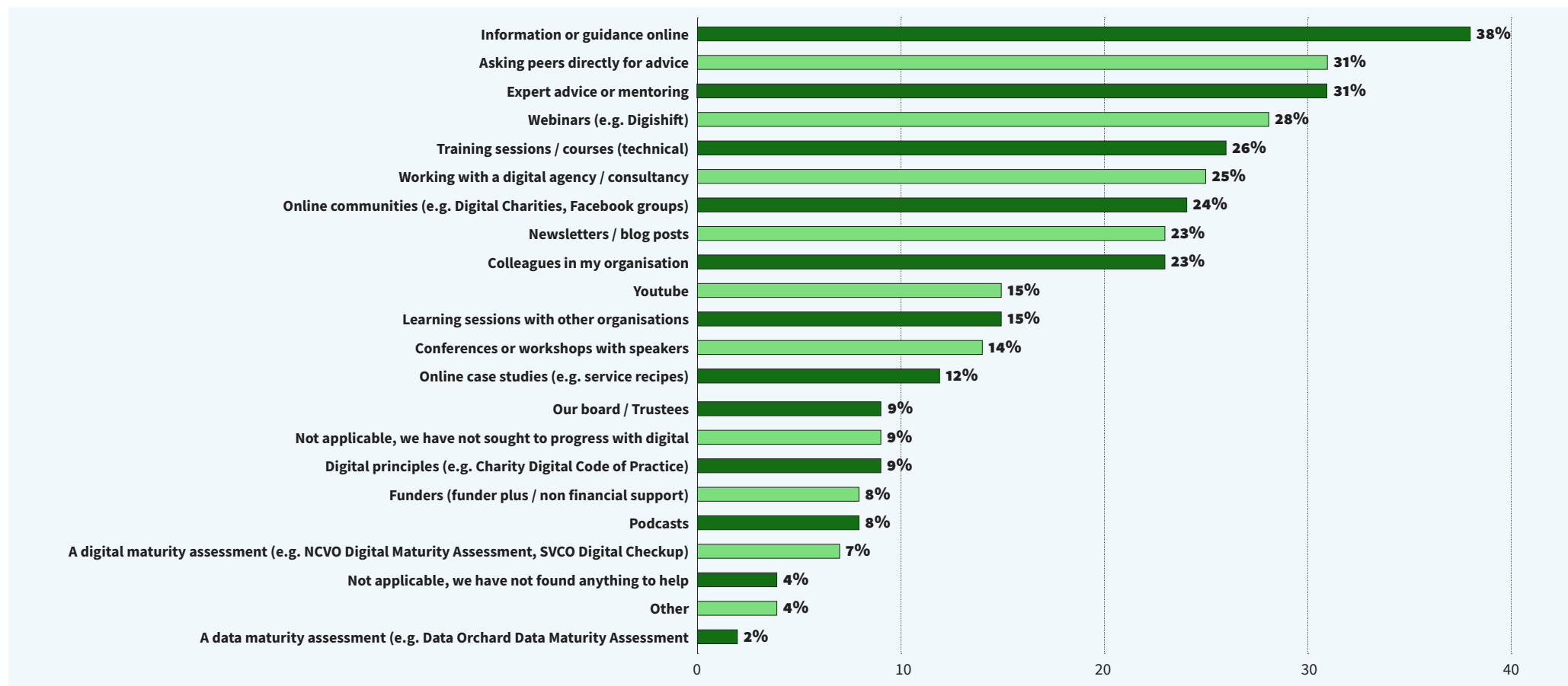
It's encouraging that more charities are seeking out guidance themselves, or asking their peers, indicating that their confidence with finding answers is growing.

“What we need is someone to mentor us and help us to identify the training we need, where to get it and help at a basic level initially. Doing things on the website for example is really daunting and having someone there to go through the simple things the first couple of times will ensure things will move forward.”

“The competitive and fast-changing nature of the digital sphere has meant it is not easy to work out where to spend the little resources I have, in case the mode I choose becomes quickly outdated.”

In the last year, which of the following have proved most helpful when looking to progress with digital?

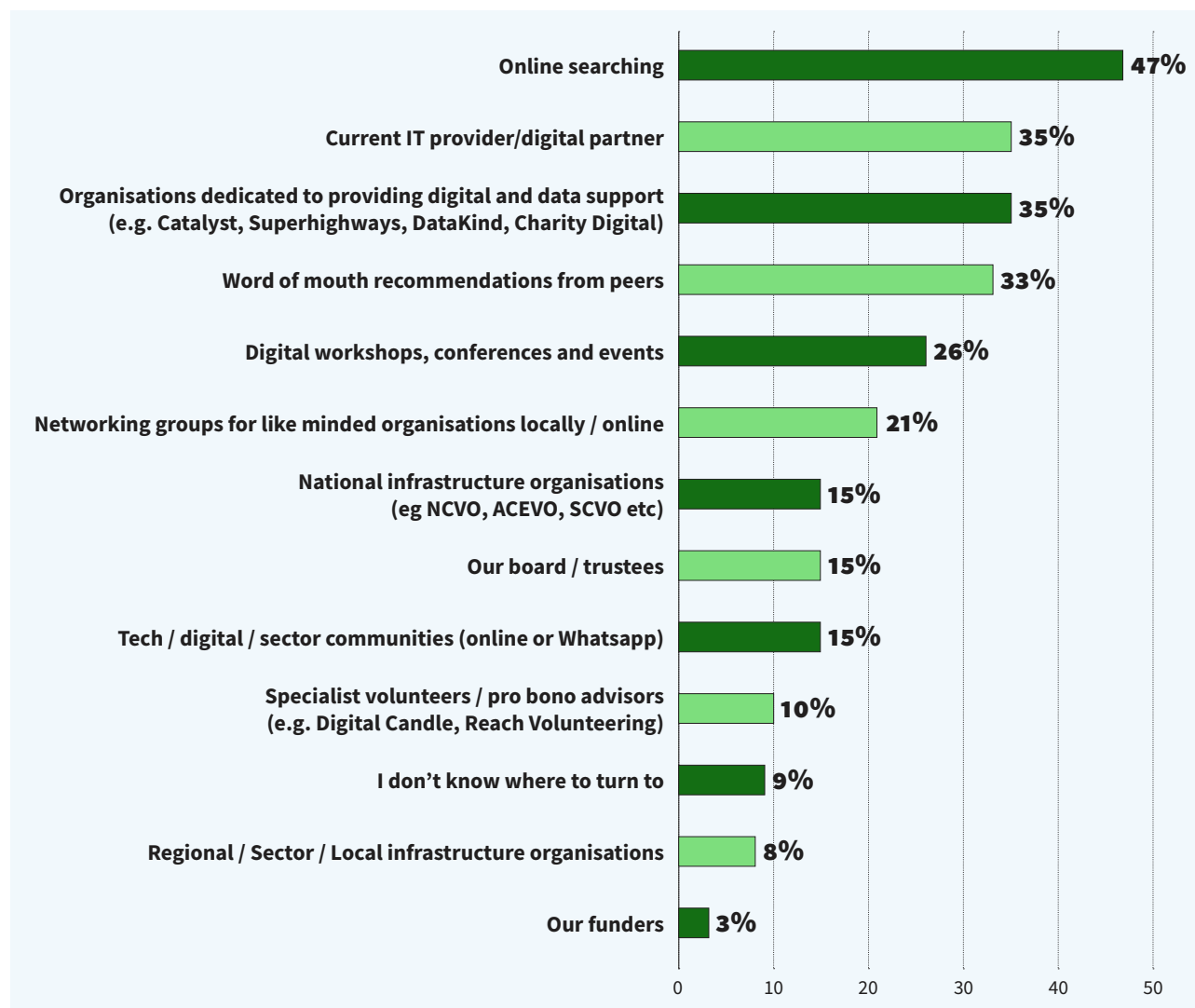
Charities' prefer to learn about digital through self directed methods and guidance from peers.



Where do you typically turn to in order to find trusted digital advice, support or people to work with?

Mirroring the trend that we saw with learning about digital, charities seek out support through online search and their network.

- Almost half of charities (47%) seek out support via online search.
- Just over a third turn to trusted advisors and organisations, with 35% leaning on current suppliers and the same number asking charities and networks such as Charity Digital, Superhighways and Catalyst, 15% to infrastructure organisations such as NCVO, and 15% to digital communities or WhatsApp groups.
- Charities also utilise peer support, with 33% asking for word of mouth recommendations from peers and 21% reaching out to networking groups.
- Just over 1 in 4 (26%) find digital workshops and events helpful.
- 15% turn to their board for help.
- 10% turn to specialist volunteers such as Digital Candle or Reach Volunteering.



Small charities

In The Charity Digital Skills Report, we define small organisations as those with an income of up to £1 million. This is because we can see distinct differences in digital skills and support needs among this group, compared to those with an income greater than £1 million.

This year, 360 charities responding to the survey had an income of up to £1 million, this is 73% of our respondents, compared to 62% in 2022. They include 131 organisations (26%) with an income of less than £100,000 and 151 (31%) with an income between £500,000 and £1 million. This means we can compare across a range of smaller income brackets. We have included any insights about trends, differences and similarities where we have found them.

In 2023, larger charities are undoubtedly further ahead with digital. However, this looks to be changing.

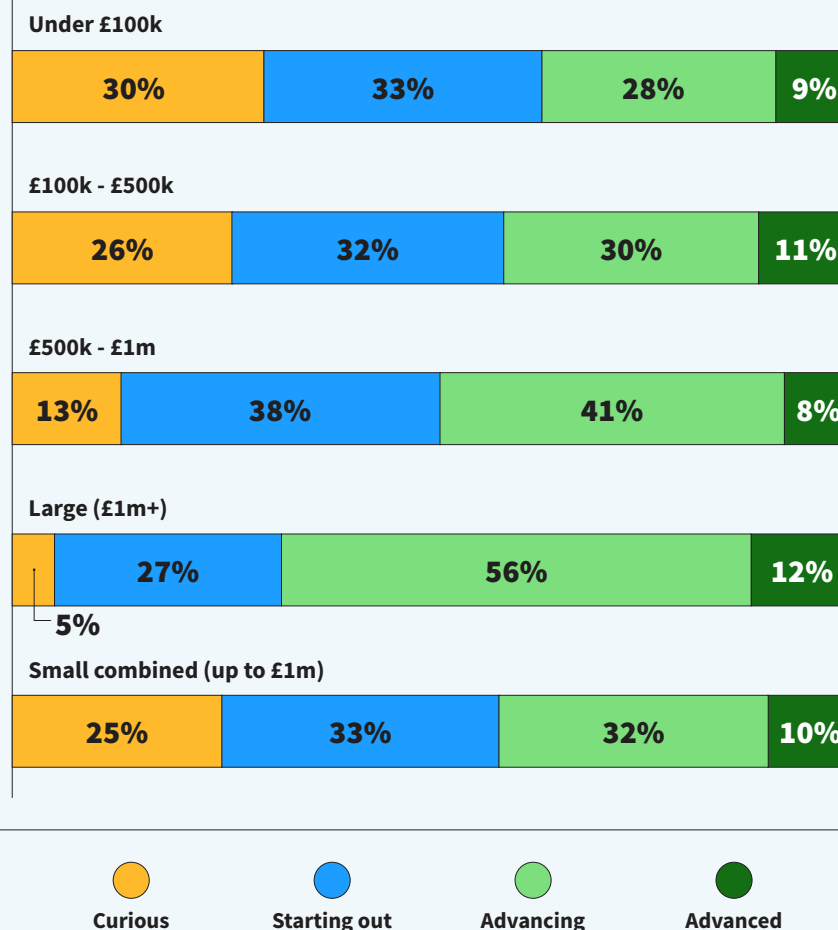
Digital stage

42% of small charities say they are advancing and advanced with digital. This is significant, but compares to 68% of large charities, a difference of 26%. Last year the difference was 32%. The gap between the digital skills in large and small organisations may be starting to close. However, 25% of small charities are at the earliest, curious stage with digital, compared to 5% of large charities.

Prioritising digital

Importantly, both small and large charities are prioritising digital to the same extent. 24% of small charities and 28% of large charities see a much greater priority for digital in their organisation. A further 50% of small and 56% of large charities see digital as being more of a priority. In 2022, there was a much bigger discrepancy, with only a third (30%) of small organisations seeing a much greater priority for digital, compared to nearly half (48%) of large charities.

What stage is your organisation at with digital?



Early stages with digital

58% of small charities are at an early stage with digital (similar to the 56% in 2022), with 25% saying they are curious and 33% saying they are starting out. Those with the smallest incomes tend to be at an earlier stage with digital (curious or starting out):

- 63% with an income of less than £100,000
- 58% with an income of £100,000 to £500,000
- 51% with an income of £500,000 to £1 million

Advancing with digital

It is worth noting there is a significant group of 149 small organisations advancing (32%) and advanced (11%) with digital.

Strategy

We can see that 42% of small charities approach digital strategically, describing themselves as either advanced or advancing digitally. The results are similar to 2022 (45%). It is significant that 75% see digital as more of a priority or a much greater priority. Furthermore, 38% say their top priority this year is to create a digital strategy. Whilst the results are similar to 2022, we should start to see more small charities with a digital strategy over the next few years.

Digital services

41% of small charities are delivering digital services. This is significantly less than the 66% in 2022 (large charities saw a similar drop from 91% in 2022 to 65% this year).

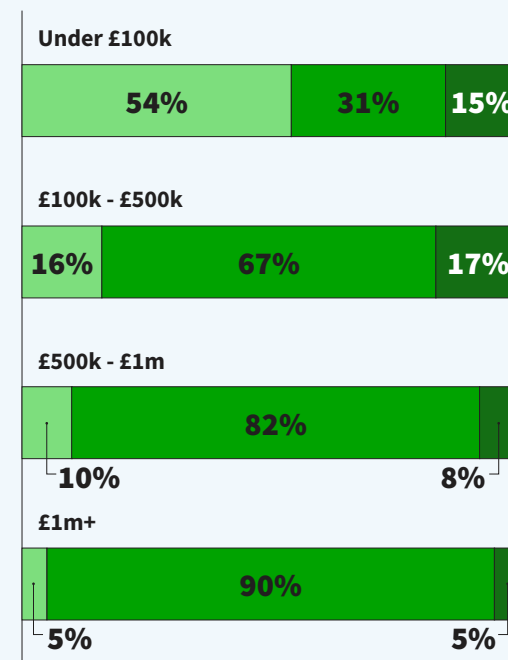
Capacity to prioritise digital

Small charities may struggle to move forwards, simply because they lack the capacity and resources to prioritise this. A third of small charities do not have anyone taking responsibility to move forwards with digital (34%), compared to only 9% of large charities. A further third do have someone who is taking this on in addition to their main role (31%). This is similar to 2022.

Working arrangements

This year, we can see significant differences according to size. Half (54%) of those with an income of under £100,000 work entirely remotely, compared to 16% of those with an income of £100,000 to £500,000. In comparison, 5% of large charities work remotely.

Which of the following best describes your working arrangements?



- We all work remotely
- Hybrid working
- Office or community building based

Top priorities

Key priorities for over half of small charities are:

- Improve our website, online presence or social media (80%)
- Improve our online fundraising (62%)
- Use data insights effectively to improve services or operations (52%)
- Build digital confidence and skills among staff/volunteers (50%)

Key challenges

Small charities are still battling to find the funding they need to invest in devices, software or infrastructure. Over half (54%) identify this as their key challenge. This is followed closely by being busy firefighting rather than prioritising digital (44%) and needing to upskill staff or volunteers (41%). This has not changed since last year, with very similar results. 30% identify the cost of living crisis as their biggest challenge. This compares to 23% of large charities.

Digital skills gaps

More than 40% of small charities say they are poor at:

- Learning about users from website and analytics data (62%)
- Digital fundraising (59%)
- SEO (Search Engine Optimisation) and ads (58%)
- Keeping up to date with digital trends (e.g. Tik Tok or ChatGPT) (56%)
- Undertaking user research (43%)

Managing risks

Small charities are doing well in terms of managing risks. Over two thirds see themselves as excellent or fair with cybersecurity, GDPR compliance, safeguarding users and safeguarding staff and volunteers from harmful content. The strengths are similar for large charities, but higher proportions of large charities rate their skills as excellent. We believe that many small charities will still be looking to improve in these areas.

Top five ambitions for improving digital skills

- 1 Attract more funding
- 2 Improve our brand and raise our profile
- 3 Attract more donations
- 4 Get more useful insights from our data
- 5 Spend less time on administrative tasks

Systems and tools

Just over a third (39%) feel their systems and tools are good or excellent. On the flip side, 61% of small charities are having to make do and get by with their existing systems and tools. Of these, 22% say their systems and tools are poor and causing them a regular headache, wasting time and affecting their confidence to try new things. The biggest challenge for over 50% of small charities is their CRM or database. A further 40% feel their website is causing significant problems for their organisation.

Digital strengths

Over two thirds say they are fair or excellent at basic digital skills (98%), remote working (92%), social media (84%) and creating accessible and engaging content (74%), collecting, managing and analysing data (69%) and making the most of their website (64%).

Digital leadership

A third of small charities feel their board has good or excellent digital skills. However, over half (56%) say skills are very low or need to improve. Key changes that would help at board level include recruiting a digital trustee (person with relevant digital expertise) and the board having a better use of data to inform decision making, learning more about digital and less reliance on one person as the digital expert.

In order to progress with digital, it is crucial that CEOs of small charities develop:

- A clear vision of what we could achieve with digital (56%)
- Ability to develop and embed a good digital strategy (45%)
- Understanding of digital trends and how they affect your organisation (34%)

Cost of living

Whilst 44% of small charities say their digital capacity remains the same, 56% have seen a reduction amidst the cost of living crisis. A third are spending less money on digital tools, a third (35%) are also exploring how to work more efficiently using digital tools. The response is similar from large charities.

Funding demand

42% of small charities say that their need for grant funding has increased significantly and a further 36% say it has increased a little. This is significantly higher than in 2022. This is likely to be related to the cost of living crisis and the increasing prioritisation of digital. 36% have applied for funding to include digital costs this year.

Funding needs

For half of small charities (48%), their top need for funding is time to develop a digital approach or strategy. This has increased in importance since 2022 when it was the third biggest need and a top priority for 36% of small charities. Small charities identified their top five needs for funding as:

- 1 Time and/or support to develop our digital approach or strategy (48%)
- 2 Computers, devices, IT and infrastructure (39%)
- 3 Training for staff and volunteers on digital or data (38%)
- 4 Software or subscriptions (37%)
- 5 Bringing in external tech expertise and advice (35%)

Funding accessed

43% of small charities have applied for and accessed funding for equipment (laptops, devices, PCs, servers) this year. 28% have also accessed funding for software/subscriptions to digital tools. Interestingly, funding requests focus on tools, systems and skills internally. Only 14% have accessed funding to develop a digital service.

How funders can help

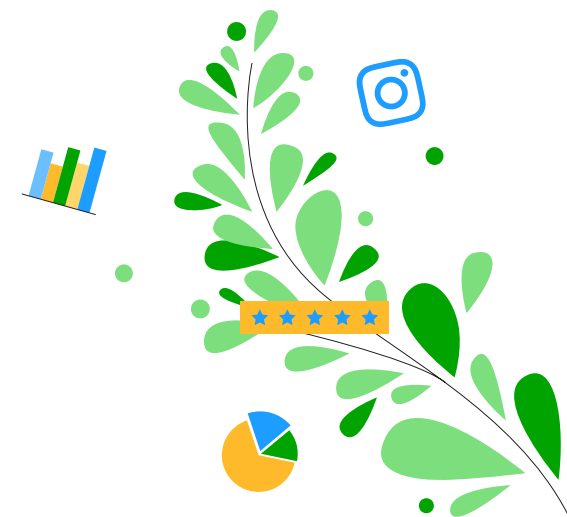
Small charities would find it most helpful if funders could offer advice on digital funding applications and additional support to progress with digital. This was rated as very helpful by 62% of respondents. The priorities for funders to provide support are slightly different to 2022. As more charities look to include digital costs in funding applications, guidance on doing this will of course be increasingly helpful and needed.

Digital education and trusted advice

Small and large charities turn to similar preferred sources when looking for trusted digital advice, support or people to work with. Over a third turn to:

- Online searching
- Current IT provider/digital partner
- Organisations dedicated to providing digital and data support
- Word of mouth recommendations from peers

For a third of charities, small and large, the most helpful sources of advice have been information or guidance online, asking peers directly for advice and expert advice or mentoring. Interestingly, half of large charities (48%) have found working with a digital agency/consultancy the most helpful source of advice this year. This is something smaller charities often do not have access to.



Equality, diversity and inclusion

This year, our data does support the case for dedicated and tailored funding and support for organisations led by the specific marginalised groups we identified ([read more in this blog post](#)). The same can also be said for organisations dedicated to supporting those communities. Each of these groups have higher proportions of organisations at the earliest digital stage.

However, those offering dedicated funding or support should be mindful that these groups are not all beginners with digital. A significant proportion will be further along on their digital journey. We strongly recommend that any dedicated funding and support is designed based on further user research with the intended groups.

“We’ve experienced challenges where support is either too basic, assuming as a small charity we have very low competence, or too ‘big’ for us.”

Our sample

It is important to note that the groups we identified intersect and many charities support multiple groups. For example, 45 say they support black communities, other racialised communities and refugees, asylum seekers and migrants. As such, these groups share similar challenges and priorities for digital. See our [introduction](#) for more details about responses from each group.

Early stages with digital

Higher proportions of organisations led by each group say they are at an earlier stage with digital. For example, 32% of black-led charities are at the earliest curious stage, compared to 19% of all charities. In comparison, there are no differences in the digital skills or responses between organisations led by lived experience of any kind (278 responses) in comparison to all responses.

Digital services

These groups are delivering more digital services in comparison to our overall sample (46% overall); for example, 65% of those supporting LGBTQIA+ people, 62% supporting people with marginalised genders and 52% supporting refugees, asylum seekers and migrants.

Cost of living

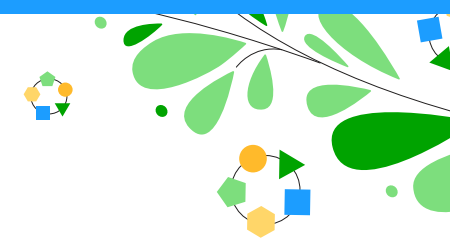
Higher proportions face challenges linked to the cost of living crisis and are struggling to find funds to invest in digital infrastructure. This is particularly acute for organisations supporting people experiencing domestic violence and abuse.

Systems and tools

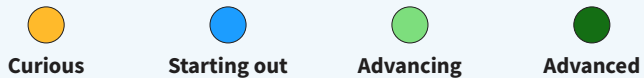
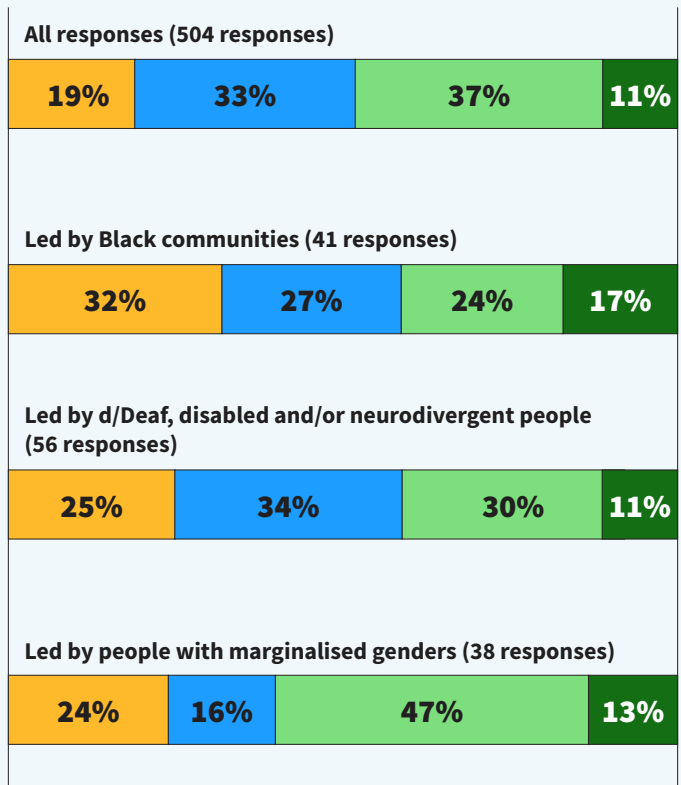
Higher proportions are struggling with their organisation’s website (compared to 39% of all responses). This is an acute challenge for those supporting people experiencing domestic violence and abuse (50%) and those supporting black communities (47%).

Supporting clients with digital skills

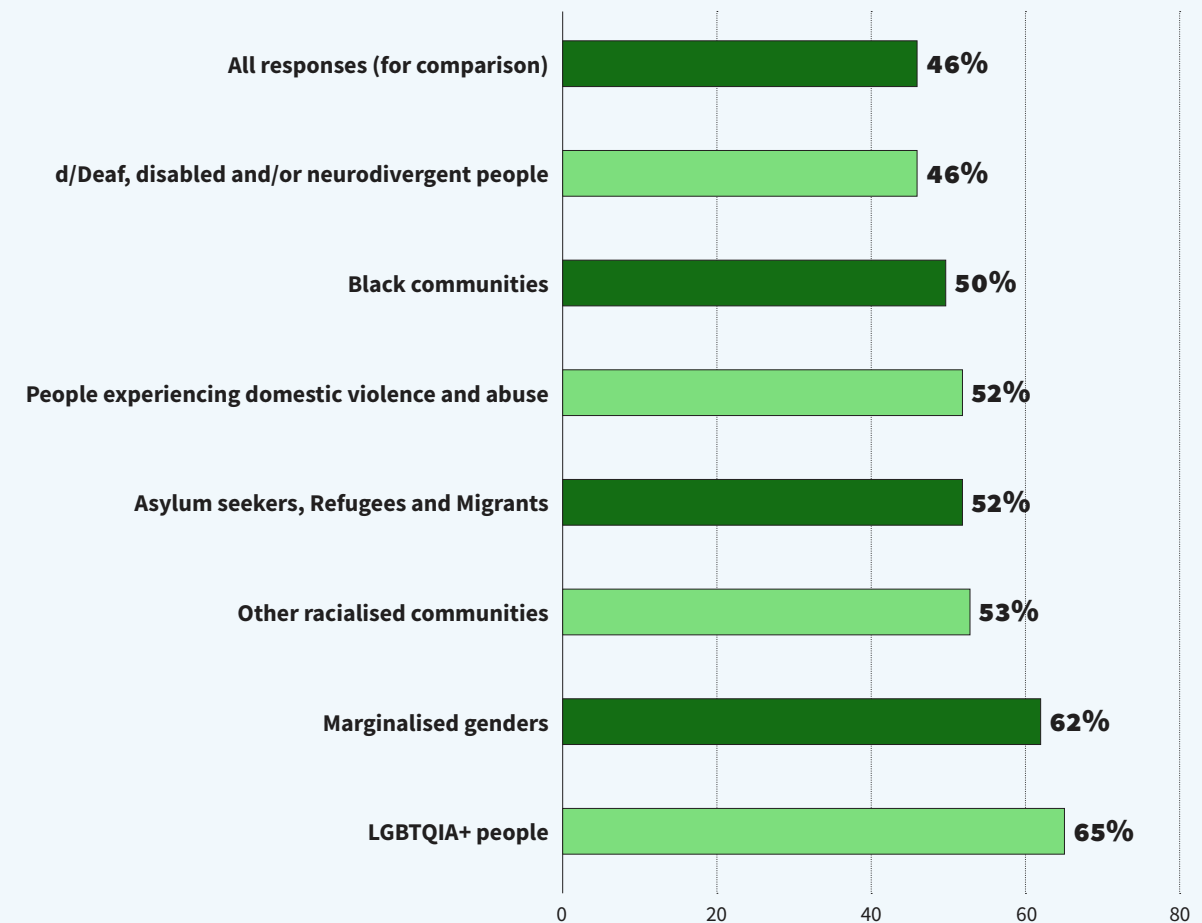
This is a top priority for half of black-led charities (51%), as well as 42% of those supporting black communities, other racialised communities and asylum seekers, refugees and migrants. In comparison, less than a third (27%) of all responses highlight this.



Stage of digital for organisations led by specific marginalised groups



Digital service delivery for organisations supporting specific marginalised groups



Black communities

Black-led charities and those supporting black communities are ambitious with their plans for digital this year and see it as a priority. Some are progressing well, but a significant proportion are at the earliest stage of digital. Higher proportions than average face challenges linked to the cost of living crisis and are struggling to find funds to invest in digital infrastructure. Overall, there is a case for targeted funding and support.

Our sample

- 41 (9%) of the responses represent black-led organisations, 67 (14%) have a core purpose to support black communities (31 say they are both). We have noted any clear distinctions between both, as well as all responses. A third (34%) of black-led charities say they are a social enterprise (14% of all responses).

Overall digital progress

- Black-led organisations have wide-ranging digital progress, with higher proportions at the curious stage (32%, compared to 19% of all responses) and advanced stage (17% compared to 11% of all responses). 62% are delivering digital services, compared to 46% of all responses.
- For those supporting black communities, 33% are at the curious stage and 17% are advanced. Nearly half (47%) are delivering digital services (similar to all responses). 22% plan to hire new digital roles (compared to 12% of all responses).

Digital priorities

- For black-led charities, 90% say digital is a greater priority, compared to 78% of all responses and 82% of those supporting black communities. Their top three priorities this year are in line with all charities. These are to improve their website, online fundraising and use data insights more effectively.
- Half of black-led charities (54%) and those supporting black communities (51%) say their top priority this year is to create a digital strategy (41% of all charities).
- Half of black-led charities (51%) and 42% of those supporting black communities say their top priority is to support clients with digital skills, compared to 27% of all responses.

Challenges

- 41% of black-led charities and 34% of those supporting black communities say the cost of living crisis is their biggest challenge (27% of all responses).
- The biggest challenge for half of black-led charities (54%) and those supporting black communities (55%) is finding funds to invest in devices, software and infrastructure.
- 47% of those supporting black communities say their website is causing a significant challenge to their organisation (compared to 40% of black-led charities).

Progressing with digital

- Expert advice or mentoring has helped most black-led charities to progress with digital this year (45%, compared to 31% of all responses).

Other racialised communities

Organisations with a core purpose to support racialised communities (excluding black communities) are ambitious with their plans for digital this year. The cost of living is a significant challenge and this group also struggles to find funds to invest in digital infrastructure. Overall, there is a case for targeted funding and support.

Our sample

- 64 (13%) of the responses have a core purpose to support racialised communities (excluding black communities). We have not analysed the data for organisations led by these communities separately due to a lack of responses (32).

Overall digital progress

- 32% say they are at the earliest, curious stage with digital, compared to 19% of all responses. Importantly, 86% say digital is a greater or much greater priority this year. Only 39% are delivering digital services.

Digital priorities

- 20% plan to hire new digital roles (compared to 12% of all responses).
- Their top three priorities this year are to improve their website (80%), online fundraising (59%), data security (58%) and to use data insights more effectively (56%).
- 56% also want to meet the needs of diverse users (compared to 45% of all responses).
- Amidst the cost of living crisis, 46% are responding by exploring how to work more effectively using digital.
- 42% say their top priority this year is to support clients with digital skills, compared to a quarter (27%) of all responses.

Challenges

- The biggest challenge for over half (56%) is finding the funds to invest in devices, software and infrastructure. 45% say they are busy firefighting and don't prioritise digital, closely followed by needing to upskill staff and volunteers (42%).
- 38% say the cost of living crisis is their biggest challenge (compared to 27% of all responses). However, 67% indicate the cost of living crisis has affected their digital capacity. 50% are also responding by exploring how to use digital to work more effectively.
- Over half say they are poor at Search Engine Optimisation (57%), digital fundraising (56%) and keeping up to date with digital trends (52%).
- Like all charities, half (53%) say their CRM is causing a significant challenge.

Progressing with digital

- Expert advice or mentoring has helped most progress with digital this year (38%).
- This group is most likely to turn to online searching and word of mouth from recommendations from peers for trusted advice.

Asylum seekers, refugees and migrants

Organisations with a core purpose to support asylum seekers, refugees and migrants see digital as a priority. Whilst a good proportion are still at an early stage, many are delivering digital services. Priorities include supporting clients with digital skills and supporting more people. However, lack of capacity amidst the cost of living crisis is a key challenge.

Our sample

- 67 (14%) of the responses have a core purpose to support asylum seekers, refugees and migrants. We have not analysed the data for organisations led by these groups separately due to a lack of responses (16).

Overall digital progress

- 27% say they are at the earliest, curious stage with digital (compared to 19% of all responses), whilst 45% are advancing or advanced with digital.
- 80% say digital is a greater priority this year (compared to 77% of all responses).
- 52% are delivering digital services (compared to 46% of all responses)
- 39% say the cost of living crisis is their biggest challenge (compared to 27% of all responses) and 68% say this is affecting their digital capacity. A third (36%) are spending less on digital tools, whilst half (56%) are exploring how digital can help work more effectively.

Digital priorities

- Their top three priorities this year are to improve their website (79%), build digital confidence and skills amongst staff / volunteers (63%) and use data insights effectively to improve services or operations (61%).
- 42% say their top priority this year is to support clients with digital skills, compared to a quarter (27%) of all responses.
- 54% say their top ambition for digital is to support more people (33% for all charities). 55% also want to meet the needs of diverse users (45% for all).
- 42% say their top priority this year is to support clients with digital skills, compared to a quarter (27%) of all responses.

Challenges

- The biggest challenges are being busy firefighting so they don't prioritise digital (49%), needing to upskill staff or volunteers (49%) and finding the funds to invest in devices, software and infrastructure (48%).
- Skills gaps include Search Engine Optimisation (55%), keeping up to date with digital trends (52%), digital fundraising (51%) and undertaking user research (49%).
- Over half (59%) say their CRM is causing a significant challenge.

Progressing with digital

- Expert advice or mentoring has helped most progress with digital this year (39%). This group is most likely to turn to online searching (52%) and organisations dedicated to providing digital and data support (41%) for trusted digital advice.

d/Deaf, disabled and/or neurodivergent people

Organisations led by d/Deaf, disabled and/or neurodivergent people are at a slightly earlier stage with digital and delivering digital services. Lack of capacity and funds are a key challenge. They would benefit from more accessible and inclusive funding practices.

Our sample

- Here, we focus on the 56 (12%) organisations led by d/Deaf, disabled and/or neurodivergent people. Note that the 117 (24%) organisations with a core purpose to support this group do not differ from the main sample in their responses.
- Note in the survey itself we used the term 'neurodiverse'. We have replaced this with 'neurodivergent' in the report following further feedback, making it clear that we are referring to specific neurodevelopmental conditions (for example, autism or ADHD).

Overall digital progress

- Digital progress overall is in line with all responses, but a slightly higher proportion (25%) are at the earliest stage with digital (curious, 19% of all responses).
- 42% are delivering digital services, slightly less than all responses.
- 64% say digital is a greater or much greater priority this year.
- Amidst the cost of living crisis, 36% are responding by exploring how to work more effectively using digital, similar to all responses (39%) but less than other groups.

Digital priorities

- The top priorities for the next 12 months are to improve their website (79%), online fundraising (63%) and building digital confidence and skills among staff and volunteers (50%). This is similar to all responses.
- Over half (59%) would like their CEO to develop a clear vision for digital. Whilst 50% would like their board to better use data to inform decision making.

Challenges

- The biggest challenge faced by over half (56%) is finding funds to invest in devices, software and infrastructure. This is closely followed by 44% saying they are busy firefighting and lack capacity to prioritise digital.
- 38% say the cost of living crisis is their biggest challenge (compared to 27% of all responses). However, 70% indicate that the cost of living crisis has affected their digital capacity. 42% are spending less on digital tools, whilst only a third (36%) are exploring how to work more effectively with digital.
- Half (50%) say their CRM is causing a significant challenge.
- Lengthy application forms and funder processes can be a barrier to accessing funding for this group, highlighted by open responses.

Progressing with digital

- Online guidance has proved most helpful this year (41%), followed by asking peers directly for advice (37%). When looking for trusted advice, this group turns to online searching (50%) and specialist digital and data support organisations (36%).

People experiencing domestic violence and abuse

Organisations with a core purpose to support people experiencing domestic violence and abuse have similar digital progress, skills and priorities to all responses. However, the cost of living crisis is having a significant impact on this group. This group is also struggling with online collaboration tools and their website.

Our sample

- 56 (11%) the responses have a core purpose to support people experiencing domestic violence and abuse. We have not analysed the data for organisations led by these groups separately due to a lack of responses (9).

Overall digital progress

- Digital progress overall is in line with all responses, except a slightly higher proportion (25%) are at the earliest curious stage (19% of all responses).
- 84% say digital is a greater priority this year (compared to 77% of all responses).
- 52% are delivering digital services (compared to 46% of all responses).
- The top change they would make at board level is better use of data to inform decision making (48%). Half would like their CEO to improve their ability to develop and embed a good digital strategy.

Digital priorities

- Most (84%) say their top priority is to improve their website and online presence, closely followed by online fundraising (63%), using data insights effectively to improve services or operations (63%) and ensuring they reach and meet the needs of more diverse users (63%).
- 59% say their top priority is to invest in their infrastructure, digital or data systems (compared to 45% of all responses).

Challenges

- The biggest challenge for over half (59%) is finding funds to invest in devices, software and infrastructure. This is closely followed by being busy firefighting and lacking capacity to prioritise digital (48%) and ad-hoc spending on IT and digital (46%).
- The cost of living crisis is the biggest challenge for 38% (compared to 27% of all responses). 60% also say this is affecting their capacity, with 30% spending less on digital tools. Despite this, half (53%) are exploring how to use digital to work more effectively.
- Interestingly, half (48%) say that online collaboration tools (e.g. Office 365, Google Workspace, Sharepoint) are creating a significant challenge for their organisation, compared to 31% of all responses. This is closely followed by their website (46%).

Progressing with digital

- Online guidance and advice have proved most helpful for this year (44%), followed by expert advice and mentoring (37%). This group is most likely to turn to online searching (50%) and organisations dedicated to digital and data support (41%).

People with marginalised genders

Organisations supporting people with marginalised genders are slightly further ahead with digital compared to all responses. Higher proportions are delivering digital services and responding to the cost of living crisis. However, there are similar challenges, particularly around finding funds to invest in infrastructure.

Our sample

- 52 (11%) the responses have a core purpose to support people with marginalised genders. We have not analysed the data for organisations led by these groups separately due to limited responses (38, 8%).

Overall digital progress

- 23% are at the earliest curious stage (compared to 19% of all responses) and 54% are advancing or advanced (compared to 48% of all responses).
- 85% say digital is a greater or much greater priority this year (77% for all responses).
- 62% are delivering digital services, compared to 47% for all responses.

Digital priorities

- Top priorities include improving their website (79%) and using data insights to improve services and operations (67%).
- Half (51%) would like their CEO to improve their ability to develop and embed a good digital strategy. The top change they would like to see at board level is recruiting a digital trustee (56%).
- Nearly half (48%) say their top priority is to focus on the sustainability of their digital products and services. This is higher than all other groups and compares to 24% of all responses. 54% also want to improve, develop or scale digital services.

Challenges

- The biggest challenge faced for over half (58%) is finding funds to invest in our devices, software and infrastructure. This is closely followed by 42% saying they are busy firefighting and lack capacity to prioritise digital. A third (35%) say they need to upskill staff or volunteers.
- A third (35%) say the cost of living crisis is their biggest challenge (compared to 27% of all responses). Whilst 65% say the cost of living crisis has affected their digital capacity, 60% are using digital to explore how to work more effectively (this compares to 39% of all responses).
- Half (51%) say their CRM is causing a significant challenge for their organisation (this compares to 54% of all responses), whilst 44% say their website is causing challenges.

Progressing with digital

- Expert advice or mentoring has helped most this year when looking to progress with digital (49%).
- This group is most likely to turn to online searching (51%) and word of mouth recommendations when looking for trusted advice.

LGBTQIA+ people

Organisations supporting LGBTQIA+ people are slightly further ahead with digital compared to all responses. Higher proportions are delivering digital services and responding to the cost of living crisis. However, there are similar challenges, particularly around finding funds to invest in infrastructure.

Our sample

- 47 (10%) of the responses have a core purpose to support LGBTQIA+ people. We have not analysed data for organisations led by LGBTQIA+ people separately due to a lack of responses (29).

Overall digital progress

- 30% are at the earliest curious stage (compared to 19% of all responses), 48% are advancing or advanced (the same as all responses). Nearly half (47%) say creating a digital strategy is their priority for the year ahead.
- 65% are delivering digital services, compared to 47% for all responses. Half (51%) say a top priority is to improve, develop or scale digital services (39% for all responses).

Digital priorities

- 79% say digital is a greater or much greater priority this year (77% for all responses).
- Top priorities for the next 12 months include improving their website (79%), using data to improve services and operations (62%) and building digital confidence among staff and volunteers.

Challenges

- The biggest challenge faced by over half (53%) is finding funds to invest in devices, software and infrastructure. This is closely followed by 51% saying they are busy firefighting and lack capacity to prioritise digital. 45% say they need to upskill staff or volunteers.
- 30% say the cost of living crisis is their biggest challenge. Whilst 61% say the cost of living crisis has affected their digital capacity, 50% are using digital to explore how to work more effectively (this compares to 39% of all responses).
- Half (55%) say their CRM is causing a significant challenge for their organisation, whilst 50% say their website is (compared to 39% of all responses).

Progressing with digital

- Expert advice or mentoring has helped most this year when looking to progress with digital (42%).
- This group is most likely to turn to online searching (58%), word of mouth recommendations (33%) and organisations dedicated to providing digital and data support (33%) when looking for trusted advice.

Nations and regions

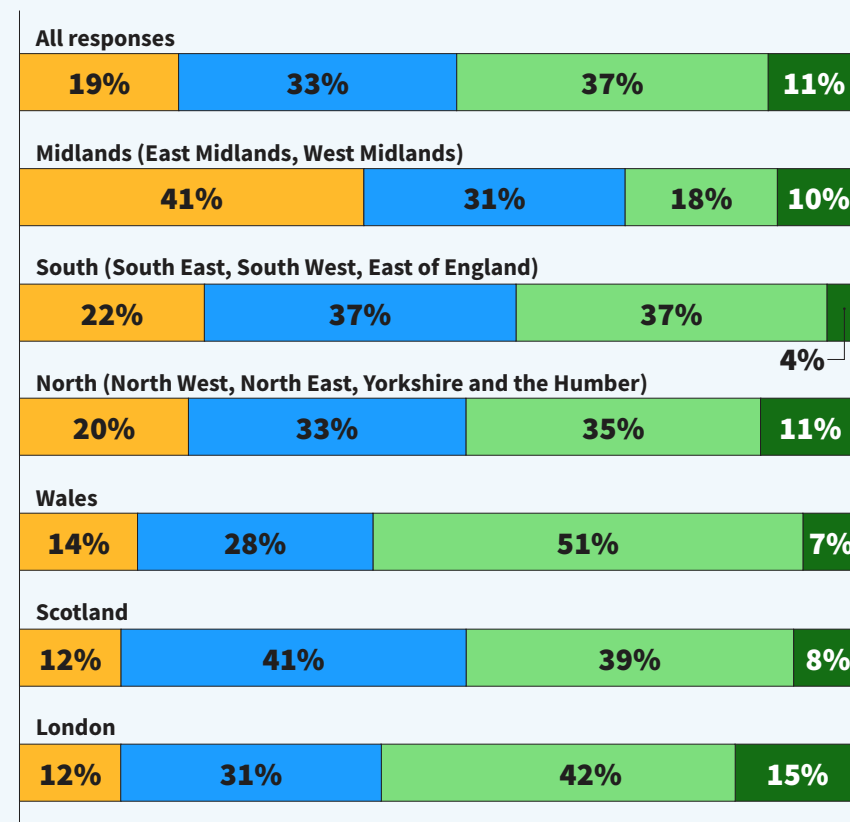
For the first time, we are able to provide a dedicated overview of digital skills in Scotland and Wales. In this section of the report, we include some topline data about digital progress across the UK. We also provide a section dedicated to Wales and Northern Ireland. The data tables for all questions for these groups are available on our website for further investigation.

Regional differences in digital maturity

There are more charities at the earliest stages with digital in the Midlands, compared to the rest of the UK. However, it is worth noting that our sample size here is small (51 organisations). This warrants further investigation and, potentially, further support in this region.

- The Midlands (combining East Midlands and West Midlands) has the highest proportion of charities (41%) saying they are at the curious stage.
- London (12%, although this is 18% when looking at small organisations) has the lowest proportion of charities in England saying that they are in the earliest stages with digital.
- In the North of England (combining the North West, North East and Yorkshire and Humber), 20% of charities are at the earliest curious stage.
- 22% of charities in the South (excluding London, including the East of England, South East and South West).
- Wales (14%) and Scotland (12%) also have low proportions of charities at the curious stage. Interestingly, Scotland has the highest proportion of charities starting out (41%) and Wales has the highest proportion of charities advancing (51%). This may be a result of the rise in responses from Wales for the first time.

What stage is your organisation at with digital?



Wales

Our sample

- 43 (9%) of the responses are organisations based in Wales. We have a good representation of different size charities within this, including 28 small organisations (with an income up to £1 million) and 51% led by people with lived experience.
- This is the first year the survey has been completed by this many organisations in Wales, but it is still a small sample and both factors may be affecting some results.

Overall digital progress

- 58% say they are advancing or advanced with digital (compared to 48% of all responses).
- 79% see digital as a greater or much greater priority this year.
- 62% are delivering digital services. Amidst the cost of living crisis, 44% are responding by exploring how to work more effectively using digital.

Digital priorities

- The top ambition for improving digital skills is to get more useful insights from data (44%), this is mirrored by 41% saying that they are poor at using data to inform decision making and strategy. 58% plan to invest in their data infrastructure or systems.
- Half say they would like their board to understand resourcing for effective investment in digital tools and IT (50%) and rely less on one person as the digital expert (47%). They would also like their CEO to develop a clear vision for digital (44%).

Challenges

- The biggest challenge identified is needing to upskill staff and volunteers, closely followed by finding funds to invest in devices, software and infrastructure.
- Only 19% say the cost of living crisis is their biggest challenge (compared to 27% of all responses).
- The biggest skills gap for this group is keeping up to date with digital trends (e.g. Tik Tok or ChatGPT), with 66% saying they are poor at this.
- Other key areas of weakness include using digital tools for monitoring and evaluation, using SEO (Search Engine Optimisation) and ads, with half saying they are poor at this (51% in both cases).
- Three quarters (74%) say their CRM is causing a significant challenge for their organisation (this compares to 54% of all responses).

Progressing with digital

- Asking peers directly for advice has helped most when looking to progress with digital this year (41%).
- This group is most likely to turn to online searching (47%) and expert support organisations (35%) when looking for trusted advice.

Scotland

Our sample

- 49 organisations (10% of our responses overall) are based in Scotland. Three quarters (77%) are small, with an income of up to £1 million. 59% are led by people with lived experience. 78% describe themselves as a charity, whilst 27% describe themselves as a social enterprise (respondents could select multiple options).

Overall digital progress

- 47% say they are advancing or advanced with digital (compared to 48% of all responses), with 82% saying digital is a greater or much greater priority this year.
- 57% are delivering digital services. Amidst the cost of living crisis, 42% are responding by exploring how to work more effectively using digital.

Digital priorities

- The top ambition for improving digital skills is to get more useful insights from data (69%), this is mirrored by 55% saying that they are poor at using data to inform decision making and strategy. Furthermore, over half (58%) say the key change they would make at board level is better use of data to inform decision making.
- Three quarters (72%) would like their CEO to develop a clear vision for digital.

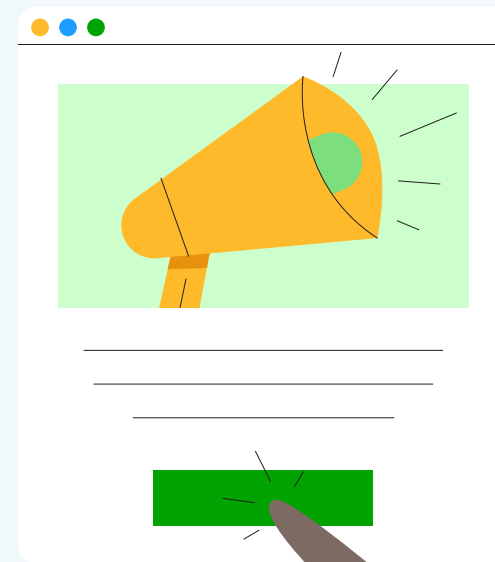
Challenges

- The biggest challenge faced by over half (57%) is needing to upskill staff and volunteers. This is closely followed by 41% saying they are busy firefighting and lack capacity to prioritise digital.
- Only 20% say the cost of living crisis is their biggest challenge (compared to 27% of all responses). However, 53% do say the cost of living crisis has affected their capacity and indicate the impact on their digital progress. 42% are also using digital to explore how to work more effectively amidst the cost of living crisis.
- The biggest skills gap for this group is learning about users from websites (61% are poor at this) and keeping up to date with digital trends (e.g. Tik Tok or ChatGPT), with 56% saying they are poor at this.
- Other key skills gaps include using data to inform decision making and using digital tools for monitoring and evaluation, using SEO (Search Engine Optimisation) with half saying they are poor at this (55% in both cases).
- Nearly half (47%) say their CRM is causing a significant challenge for their organisation (this compares to 54% of all responses).

Progressing with digital

- Webinars (e.g. Digishift) have helped this group most when looking to progress with digital this year (40%).
- This group is most likely to turn to online searching (42%) and their current IT provider (40%) when looking for trusted advice.

Calls to action



Ten calls to action

1

Cost of living

The cost of living is affecting digital progress, with 1 in 4 charities saying this is a significant challenge. Many are backtracking from the adoption seen during the pandemic. Three out of 10 are spending less money on digital tools. Funders need to step up to help close this gap, with particular efforts to support core costs. Otherwise, charities will not be able to get the tools, develop the skills or create the services that will help them work more effectively or increase their impact.

2

Artificial intelligence

The majority of charities (78%) agree that AI is relevant to their charity and could transform it, yet 73% say they don't feel prepared to respond to the opportunities and challenges it brings. We need a sector-wide approach to AI so that charities can influence policy, share best practice and access support and funding. A great first step for charities is to look at [Charity Excellence's AI Governance Framework](#).

3

Data

Charities will need to get up to speed with data to make the most of developments in AI and other forms of emerging technology. It is fantastic to see that 59% of charities are already prioritising how they use data and insights to improve their services or operations. Charities need to fast track their data understanding, policies and practices this year. We need an informed sector to critically engage with the challenges and opportunities AI presents. We encourage charities to develop their data skills and connect with specialist organisations such as [Datakind UK](#), the [Data Collective](#) and [Superhighways](#) (for charities in London).

4

Priorities for funders

Charities still have significant needs for digital funding, with 41% stating that their needs have increased significantly this year, compared to 33% saying this last year. We are calling on funders to take on board the digital and funding needs of charities set out in this report and respond to them. These include: funding digital core costs, being clear on what they will and won't fund and adapting funding applications so they are relevant for those delivering their work digitally.

5

CEO and leadership

Three quarters (78%) of charities say that digital is a greater priority for their organisations. However, this priority needs to be backed by a clear vision. More than half (56%) told us that the number one thing they want from their leaders is a clear vision of what their organisation could achieve with digital. Leaders need to define how digital could help their charity achieve its vision and mission and plan what to do to get there. CEOs would also benefit from dedicated support here.

6

Learning

There's huge potential to stretch charities' resources further by learning with their peers and collaborating. 44% never make digital solutions available to others and 24% are not sharing learning about their digital work openly.

We encourage charities to consider open sourcing their solutions where possible and to learn together as much as possible.

7

Boards

There is still a significant digital skills gap on boards, a fact which has barely changed since our report began.

57% have skills that are either low or have room for improvement. This is slightly better than last year, but there is still a long way to go. A digital trustee can be the first step on this journey. Your charity can find one on either [Reach Volunteering](#) or via the [Third Sector Lab Digital Trustees' initiative](#).

8

Accessing skills support

It's really encouraging to see that the gap between the digital skills in large and small organisations may be starting to close. Charities of all sizes can continue to develop their skills by using resources such as those provided by [Catalyst](#) and [NCVO](#). Those providing support should focus on addressing key skills gaps, such as user research (43% are poor at this), using digital tools for monitoring and evaluation (39% are poor at this) and using data to inform decision making and strategy (36% are poor at this). New initiatives are also needed to ensure we all get to grips with the challenges and opportunities surrounding the use of emerging tech and AI.

9

Equality, diversity and inclusion

In our analysis of the digital needs of specific marginalised groups, we have identified that there is a case for support for tailored funding and support for organisations led by and supporting these groups. Individual organisations within these groups will be at different stages of digital (not all will be at early stages), so we encourage funders to consider undertaking their own research and co-designing programmes of support and funding with these groups.

10

Digital services

This year, just under half (46%) of charities are delivering digital services in-house or via third-party platforms, a significant drop from 73% in 2022. This may be because the lockdown ended some time ago, the cost of living crisis or a lack of funding. We advise charities to keep their skills in this area sharp. Given recent developments in generative AI, it's likely that digital service delivery will play a role in most charities' futures, alongside face-to-face service provision.

Funders' checklist

It's clear from our findings that digital needs to be funded more effectively across the sector to increase impact. Funders could make a significant difference here by developing their funding practices. To help funders, we've developed a checklist of key considerations, based on the data from our report. We encourage funders to review how they are providing funding generally to be inclusive of digital development in charities.

1

Cover core digital costs (hardware, software and licences) in all applications

This is the most helpful change that funders can make to their practice for both large and small charities. Funders need to recognise that these costs are now fundamental to running services and operations effectively. Applications should include space to add budget for both new purchases and upgrades, as well as guidance to frame an effective request for this.

2

Clarify what you will fund

Whether you fund digital costs or not, it is important to be open and transparent about this. Review what you can change right now in your application guidance, forms, budget, assessment processes and internal policies to make this clear to all involved.

3

Review your application forms to ask relevant questions

Charities are struggling with applications originally designed with face-to-face services in mind. As digital service delivery becomes commonplace, it is vital that funders review their standard questions and guidance, as well as encourage the inclusion of digital costs.

4

Support user research and co-design

Early stage scoping and user research can help charities explore if they are creating the right solution and using the best technology to achieve this. It can save costly mistakes, encourage reuse and provide space to design solutions with users. Funders should actively encourage charities to undertake scoping research before committing to a digital solution upfront.

5

Offer scope to apply for vital IT and core infrastructure upgrades

Finding funds to invest in the devices, software and infrastructure needed has become the most urgent challenge for charities. This is particularly relevant for those funders moving towards core or unrestricted funding.

6**Build capacity by funding people and skills development**

Charities need funding for core digital staff and/or someone to lead on digital change internally. Small charities particularly need funders to support staff and volunteer training, while both large and small charities increasingly need time to develop a strategic approach.

Funding digital well can simply focus on people and time to build organisational capacity and resilience.

7**Offer additional support from experts**

Funders can make a significant difference to progress with digital by providing additional ‘funder plus’ support.

8**Enable charities to share their solutions and learning**

Charities can do more to build on the work of others or on existing solutions, rather than building their own tools from scratch. This will happen more if they have capacity and there are incentives to make digital projects open, available, sustainable, documented and organised. Encouraging and supporting simple sharing formats for learning, like workshops or publishing weeknotes, can help. Infrastructure organisations can also support reuse. Catalyst is also looking into licensing that funders and charities can adopt to help make their solutions available to other charities.

9**Undertake user research and grow your own digital skills**

Funders should undertake their own user research to understand the needs of their target groups. Ideally, this should ask about digital skills and support needs. We also encourage funders to commit to growing their digital skills, a journey that can begin by undertaking an audit of digital strengths and weaknesses. This will give funders the confidence to assess digital applications and develop their digital funding practices, policies and strategy effectively.

Overall, these recommendations also support [IVAR's call](#) for more open and trusting grantmaking practices. The evidence we have wholeheartedly supports that the [eight funding commitments](#) will enable charities to progress with digital, as well as become more effective and sustainable. We recommend that funders also join the community of over 100 funders who have already signed up.

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9Trees cic

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At Birkhill House CIC

Autistic Children and Carers Together

Autistic Girls Network

AzuKo

Baby Umbrella

Ballantrae Rural Initiative Care
in the Community

BARAC UK

BASIC (Brain and Spinal Injury Centre)

Bassetlaw Food Bank

Bath Cats & Dogs Home

Bath Gateway Out & About

Bedford & District Cerebral Palsy Society

BGC Wales

Big Issue North

BlindAid

Blood Cancer UK

Boys in Mind, Girls Mind Too

Breaking Barriers Building
Bridges - Nottingham

Brook

Building Futures East

Bumblebee Conservation Trust

CAMBO HERITAGE TRUST

CAMFED

Campaign Against Living Miserably

Cancer Support Scotland

CancerCare

Carefree

CCVS

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Dragonfly Cancer Trust

Dunfermline Advocacy

Ecological Continuity Trust

EcoWild

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Education and Skills Development Group

Electrical Industries Charity

Emily Harris Foundation

English for Action (EFA) London

Enhanceable

Euan's Guide

Fallen Angels Dance Theatre

Families in Trauma and Recovery

Families United Warrington

Family For Every Child

Final Straw Foundation

Food in Community

Fresh Beleaf Integrity CIC

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North East Somerset

Healthwatch Greenwich

Healthy Living Platform

Hear Me Out

Heart NE (CIC)

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Honeybee Farmacy CIC

Hope Garden SCIO

Hospice UK

Huntingdon Area Money Advice

Ignite Life

Impact Family Services

Incredible Kids

Inspired Equine Assisted Learning CIC

Jacari

Jangala

Journey Enterprises

Just Fair

Justice and Care

JustRight Scotland

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Off the Record BaNES

[On Radar](#)

On The Edge'

[One Knowsley](#)

One Sky Collaborative

[Operasonic](#)

Overgate Hospice

[Pant memorial institute](#)

PDA Society

[Peak Empower](#)

Platform for Life

[Power To Change](#)

Princess Alice Hospice

[Pro Bono Economics](#)

Project Wish CIC

[Radyr & Morganstown Association \(RMA\)](#)

Rainbow Migration

[Rainy Day Trust CIO](#)

Rape Crisis Tyneside and Northumberland

[Rare Charity](#)

RCVS

[Reach Volunteering](#)

Reaching Higher

[Reaching People](#)

Redbourn Community Group

[Reform Radio](#)

Refugee Action

[Reseed](#)

RICE - Research Institute for the Care of Older People

[RNID](#)

RNLI

[Roundabout](#)

RSVP

[S.A.L.V.E. International](#)

SafeHands

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Survive York and North Yorkshire

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Swansea MAD

Tanio

TCC Wales

Team Kenya

The Access Project

The Armitage Foundation

The Bay Foodbank

The Baytree Centre

The Boaz Trust

The Brain Charity

The Carers' Centre

The Community Impact Initiative CIC

The Compassionate Friends

The CRUMBS Project

The Death Penalty Project

The Dockland Settlements

The Ethical Property Foundation

The Fund for Global Human Rights

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We Care Campaign

We Get It Together CIO

We Hear You

We Will Be Proud

Well Grounded

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Wikimedia UK

Wildscreen

Wiltshire Service Users' Network

Women for Women International

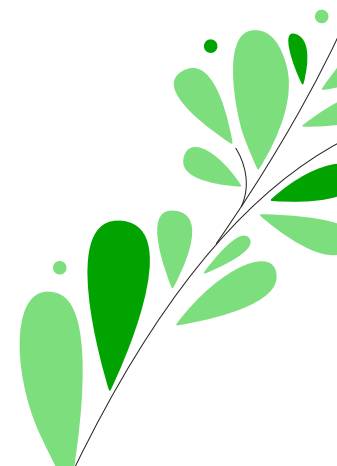
WORKER SUPPORT CENTRE

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About the authors



Zoe Amar

Zoe Amar is widely regarded as one of the charity sector's leading digital experts. She founded digital agency and social enterprise [Zoe Amar Digital](#) in 2013. Their clients have included Sense, Anglia Ruskin University and The School for Social Entrepreneurs. Zoe is Chair of The Charity Digital Code of Practice. She writes for Third Sector about charities and also co-authored The Charity Commission's digital guidance for trustees, 'Making Digital Work'. Zoe has 14 years' experience as a charity trustee and currently sits on the board of Charity Digital Trust. Previously, Zoe worked for 5 years as part of the leadership team at a national charity that advised nonprofits about technology. She was voted one of the top 20 Pandemic Pioneers by Charity Times and has also won an Inspiring Communicator Award from Charitycomms.



Nissa Ramsay

Nissa Ramsay is the founder of [Think Social Tech](#), providing independent research, learning and evaluation consultancy. She helps organisations design funding and support services, with a dedicated focus on digital skills development in the charity sector. Clients have included Catalyst, Refugee Action, Power to Change, Comic Relief, Nesta Challenges, Nominet and the Charity Governance Awards. Nissa has a PhD in Human Geography and an MSc in Digital Sociology, alongside 15 years' experience in the charity sector.

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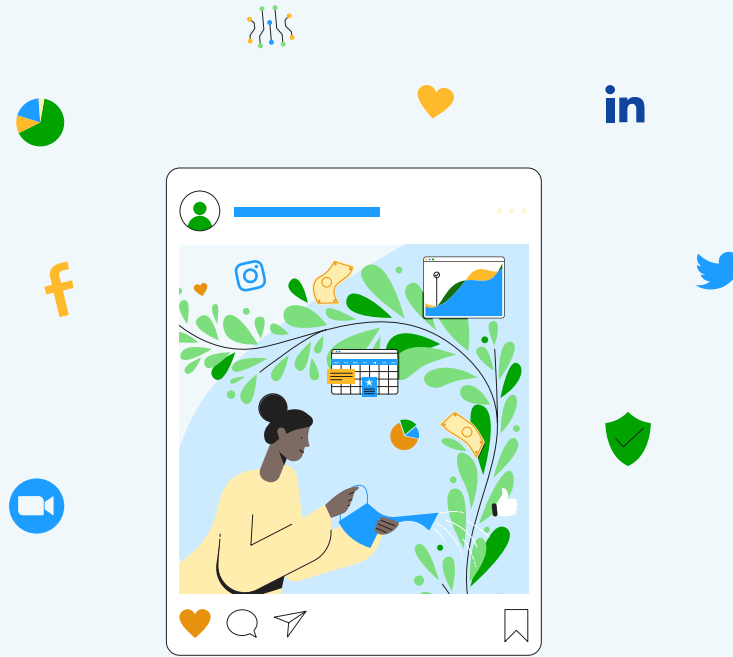


Contributed to

Catalyst

Catalyst

Catalyst is a collective of individuals and organisations (like nonprofits, funders, agencies and freelancers) helping UK civil society grow in digital. They are building an ecology of interconnected support initiatives, shared infrastructures, learning networks and community spaces that help charities and civil society organisations harness the power of digital, data and design to respond to the changing needs in their communities.



Charity Digital Skills Report 2023

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