



Income Diversification

Ben Jowitt, Relationship Director, Charities Team, CAF

CAF Charity Services – Our family of entities

Supporting you with your finances, the CAF Group offers a range of financial services to help your charity have a bigger impact. This summary is aimed at providing an overview of these entities, their regulators, remits and products.

Charities Aid Foundation (CAF)

- Parent organisation
- **Aims:** To accelerate progress in society towards a fair and sustainable future for all
- Regulated by the Charities Commission 268369 and HMRC
- Common Products:
 - **CAF Donate** – our electronic giving portal
 - **CAF Venturesome** – our social investment team offering non-regulated unsecured lending and blended finance packages (part loan/part grant)
 - **CAF Grant Making**
 - **CAF Advisory**
 - **CAF Give As You Earn**
 - **Philanthropy products**

CAF Bank

- Wholly owned subsidiary of the Charities Aid Foundation
- **Aims:** Banking with a Purpose to support the third sector
- CAF Bank Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority under registration number 204451
- Common Products:
 - **CAF Cash** – our current account
 - **CAF Gold** – our savings account
 - **CAF Bank Loans** – our non-regulated lending products
 - **Business Debit Card**

CAF Financial Solutions Limited (CFSL)

- Wholly owned subsidiary of the Charities Aid Foundation
- **Aims:** Provides charitable investors with access to both savings accounts and longer-term investment options
- CAF Financial Solutions Limited (CFSL) is authorised and regulated by the Financial Conduct Authority under registration number 189450
- Introductions to a range of services provided by partners including:
 - Notice accounts
 - Term deposits
 - CAF Charity Deposit Platform
 - Investments

CAF Bank loans are non-regulated products. Loan applications subject to credit assessment. Security will be required. Charity assets may be at risk if you do not keep up with the repayments for a mortgage, loan or any other debt secured on them. If you're thinking of consolidating existing borrowing, you should be aware that you may be extending the term of the debt and increasing the total amount you pay. The value of investments may fall as well as rise. You may not get back the full amount that you originally invested. Past performance is not a guide to future performance. There is no guarantee about the level of capital or income returns that will be generated.

What is Income Diversification?

Income diversity is different to Income **Growth**

Income diversity is about managing **Risk**

Diversification is creating an income base that is generated across a variety of **activities**, from a wide range of **sources**

When assessing the risk profile of charities, one of CAF Bank's key grading metrics is Income Diversification

CAF Bank will consider the Number of Funding **Types**
And the Number of Funding **Sources**

Charity Commission: Charities by income category



Main income category	Charities	Total income and endowments	Total expenditure
Donations and legacies	3,893	£21,303,748,833	£17,748,220,532
Charitable activities	5,477	£40,810,042,479	£52,225,714,696
Other trading activities	301	£2,205,399,602	£2,142,022,929
Investments	505	£2,275,296,725	£4,415,622,761
No single category	3,382	£20,895,172,074	£20,466,716,518
Total	13,558	£87,489,659,713	£96,998,297,436

Source: Charity Commission Data from the returns of charities with income of £500,000 plus correct as of 17.04.24

Voluntary Income

- Donations
- Legacies
- Grants

Money given freely by third parties

Self-generated income

- Charitable Trading
- Non-Charitable trading
- Investment Income

Money generated by the activities of the charity

CAF UK Giving Report



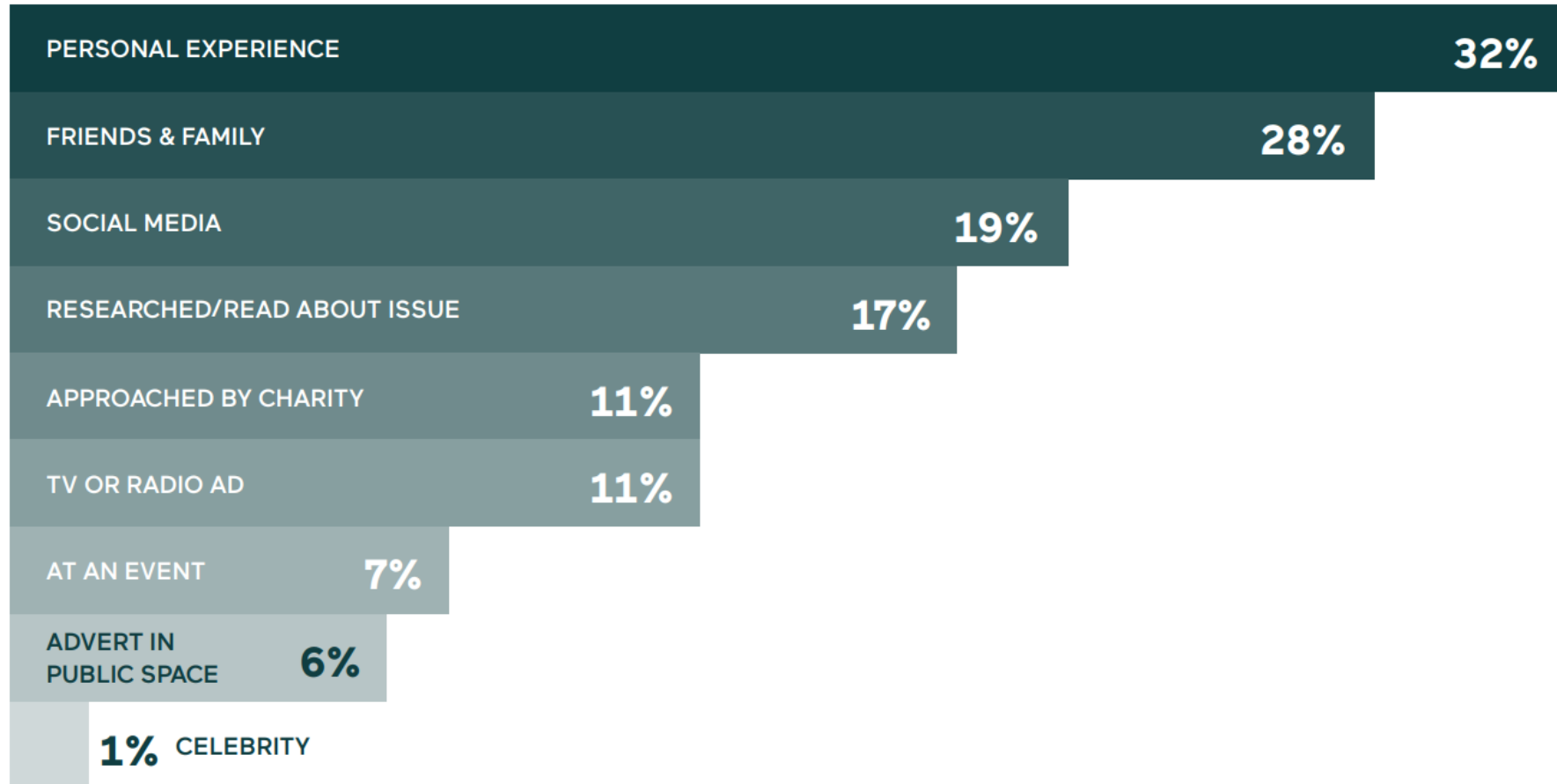
CAF UK Giving Report March 2024

THE UK IS A GENEROUS COUNTRY, AND THE FINDINGS FROM THIS REPORT SHOW HOW WE CAN COME TOGETHER, TO GIVE MORE TO CAUSES THAT MATTER TO US, EVEN WHEN TIMES ARE TOUGH.

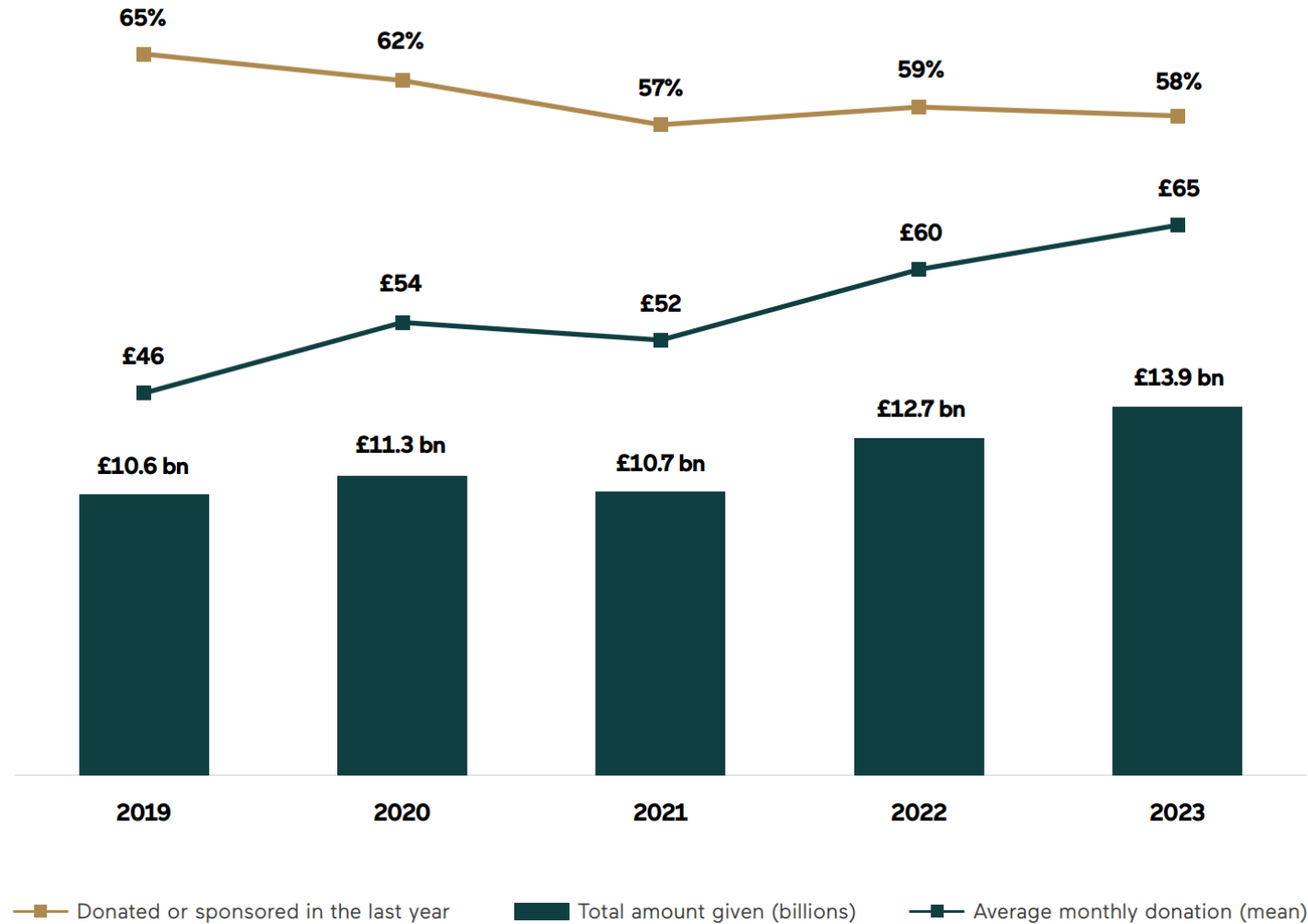
NEIL HESLOP OBE

Chief Executive
Charities Aid Foundation

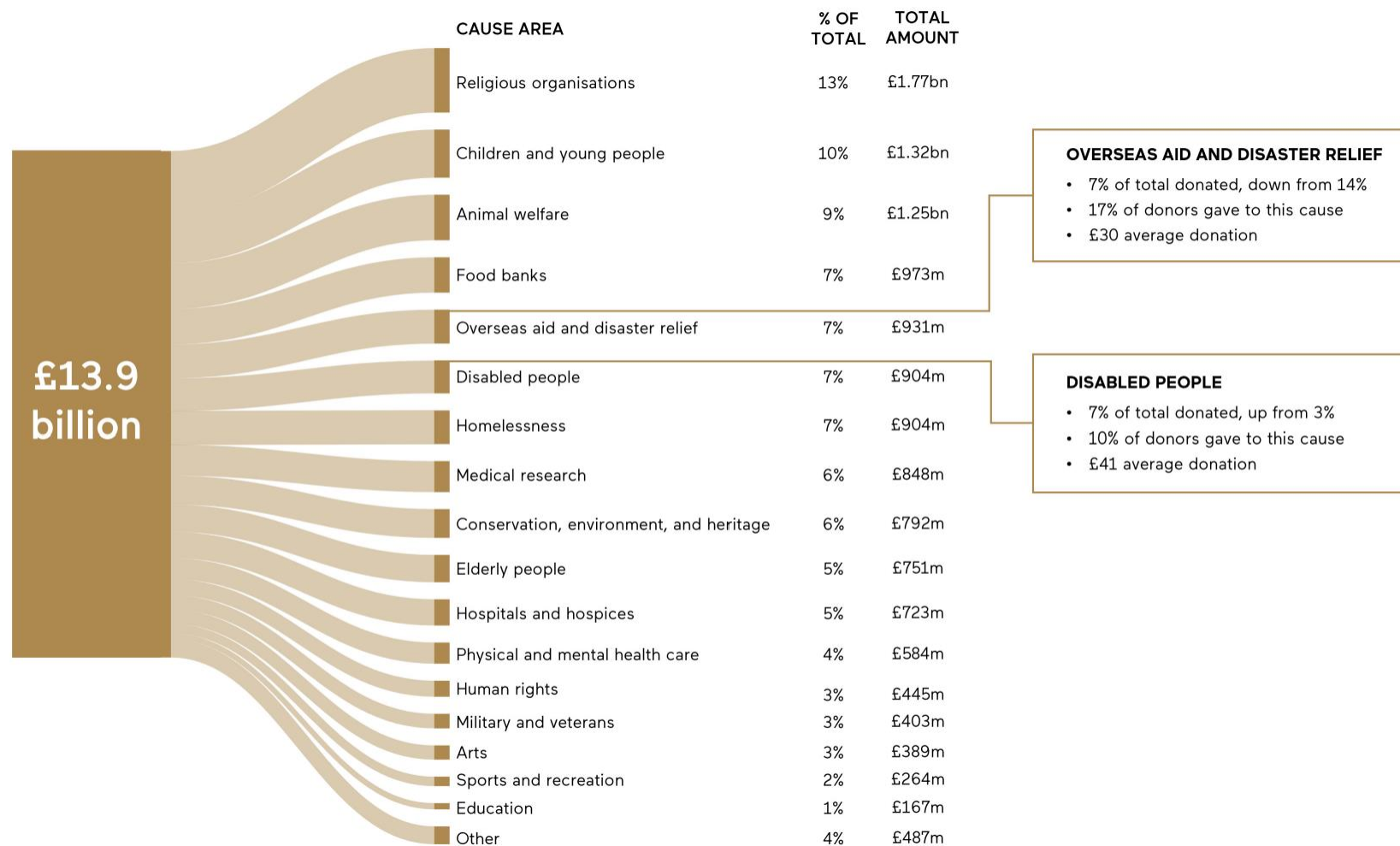
CAF UK Giving Report



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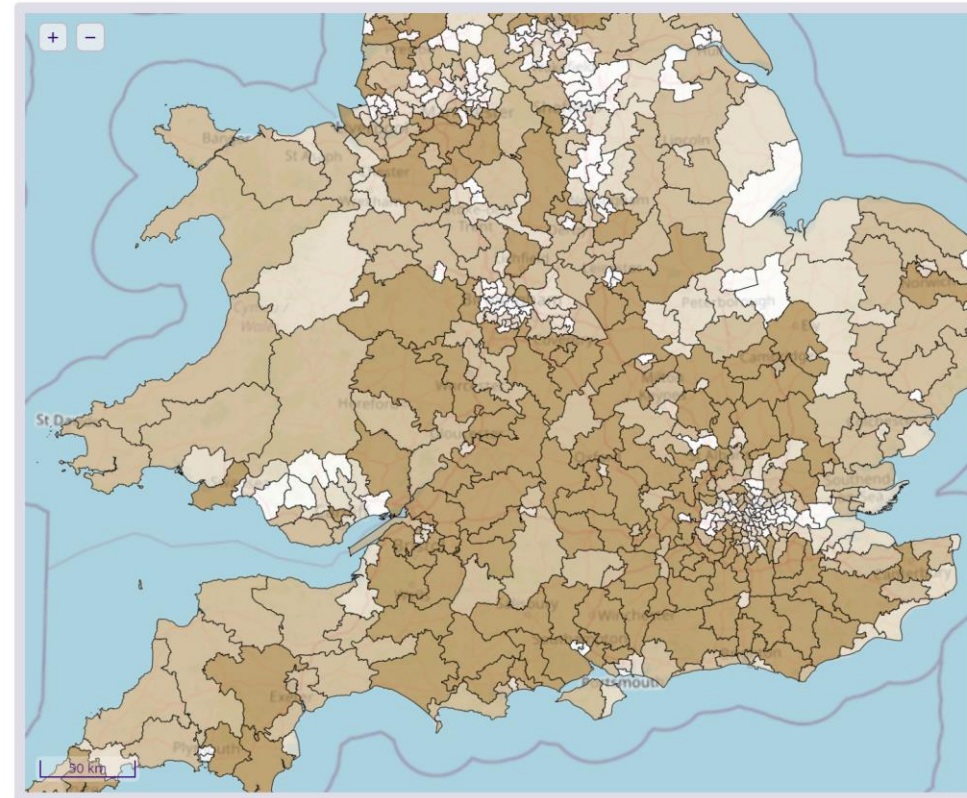
CAF UK Giving Report



CAF UK Giving Report

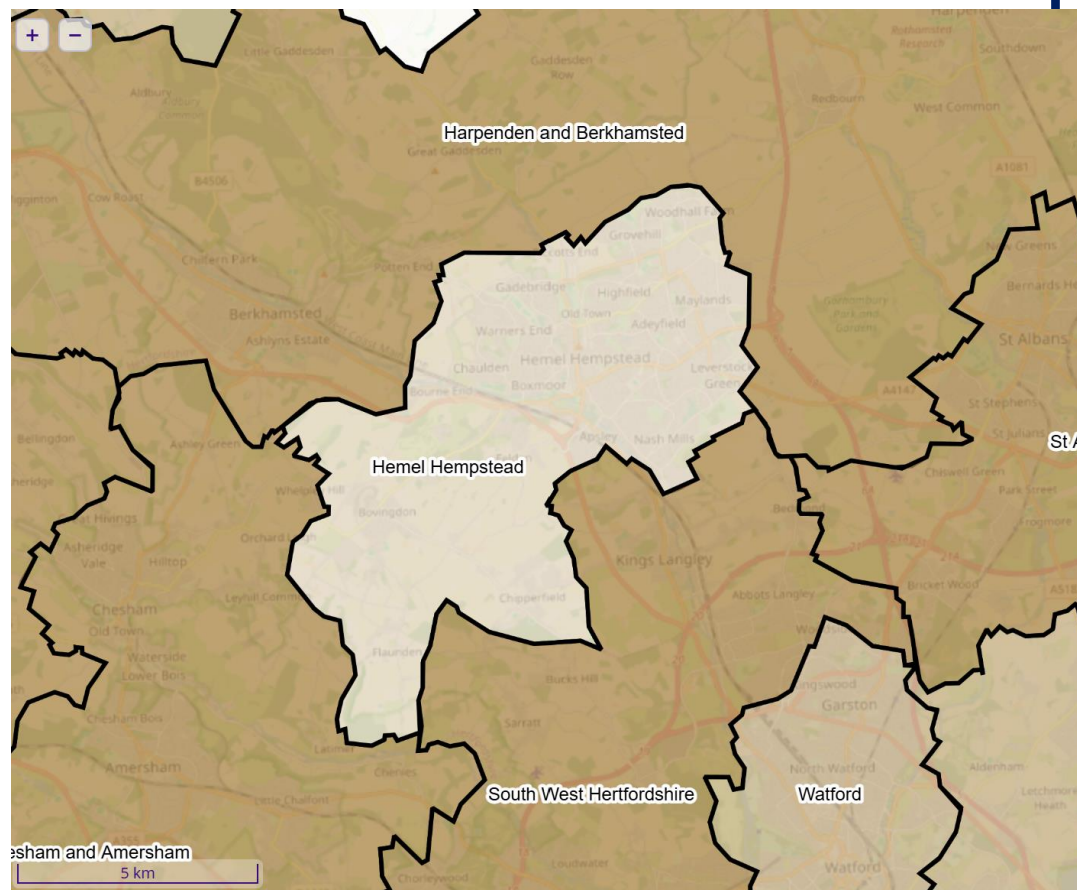
Check out generosity levels in your area

Key:



Boundary Lines courtesy of Ordnance Survey OpenData © Crown copyright 2013, Map © [OpenStreetMap](#) contributors

Donor generosity Hemel Hempstead



Key: Lowest Highest

Choose which data to show

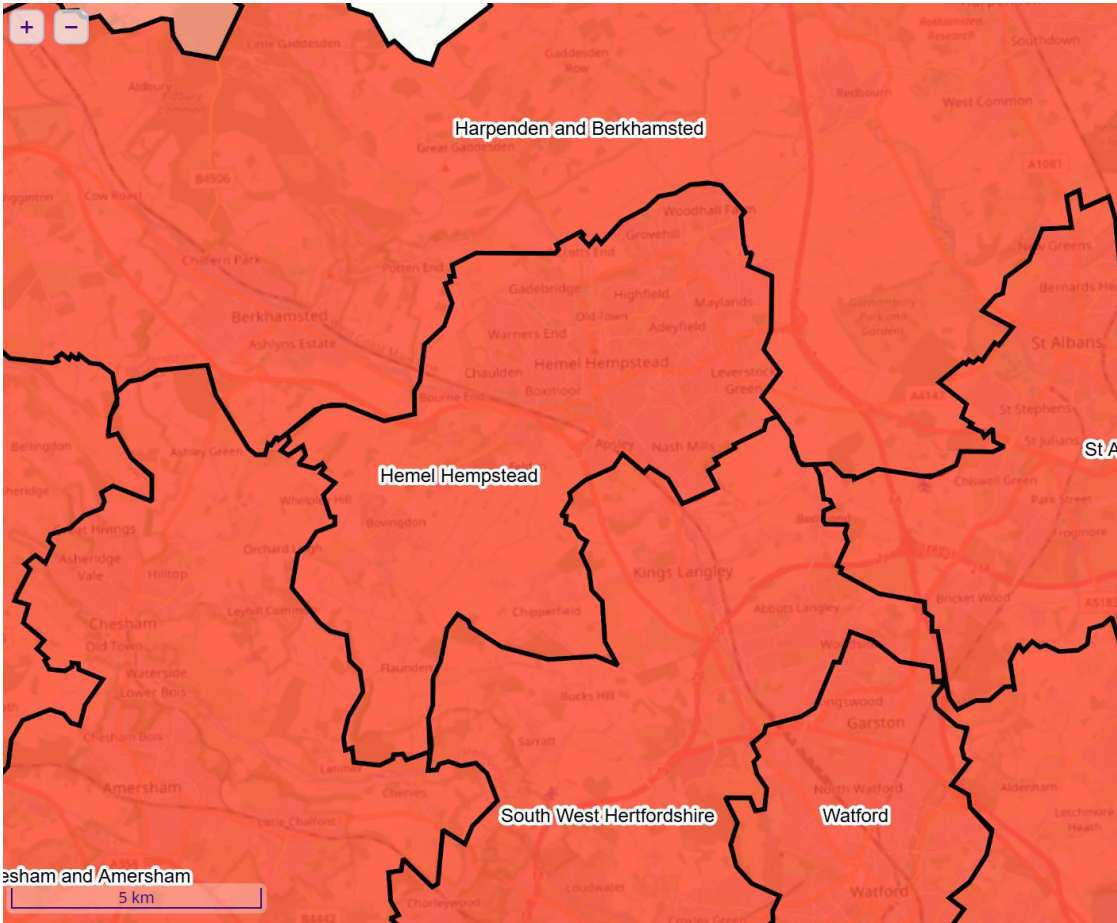
DONORS

DONATION %

DONATION £

Proportion who donated Donations as % of income Total amount donated

Donor generosity Hemel Hempstead



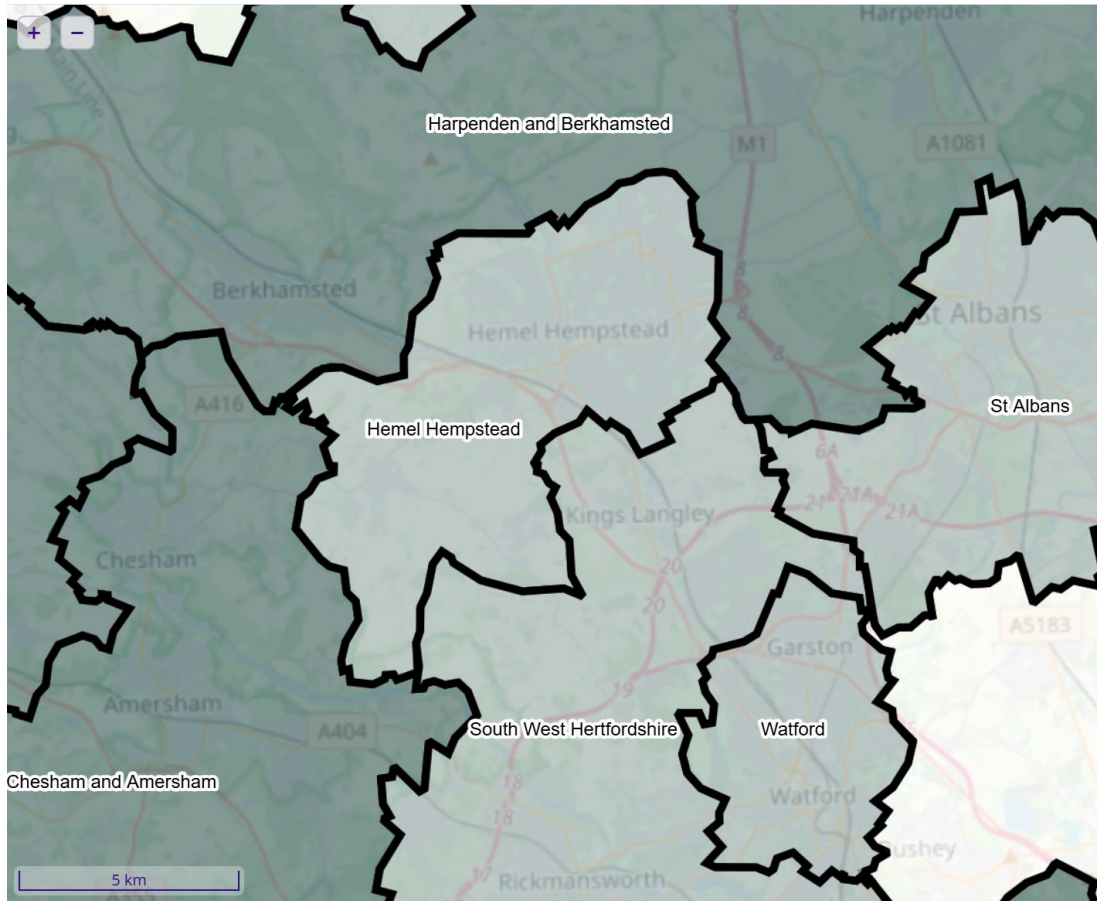
Key: Lowest Highest

Choose which data to show

DONORS DONATION % DONATION £

Proportion who donated Donations as % of income Total amount donated

Donor generosity Hemel Hempstead



Key: Lowest



Highest

Choose which data to show

DONORS

DONATION %

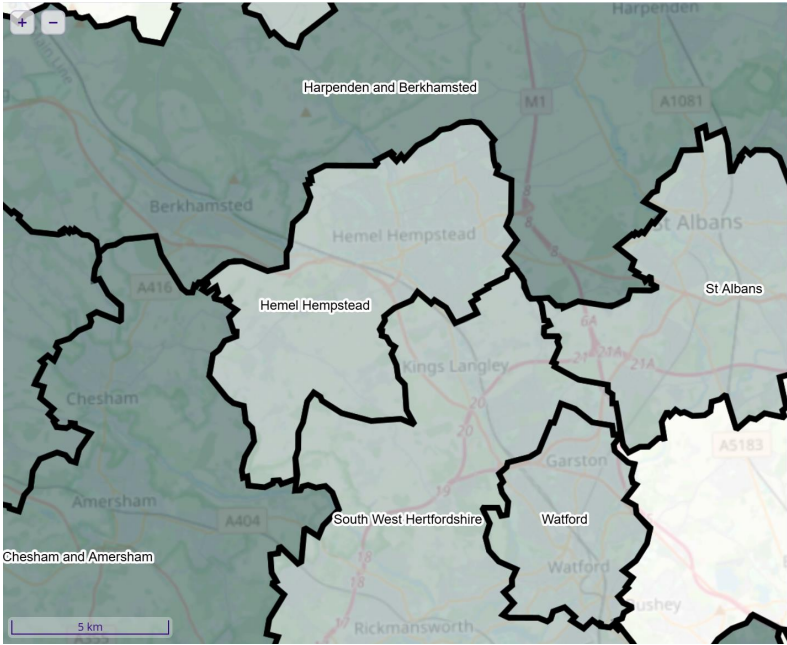
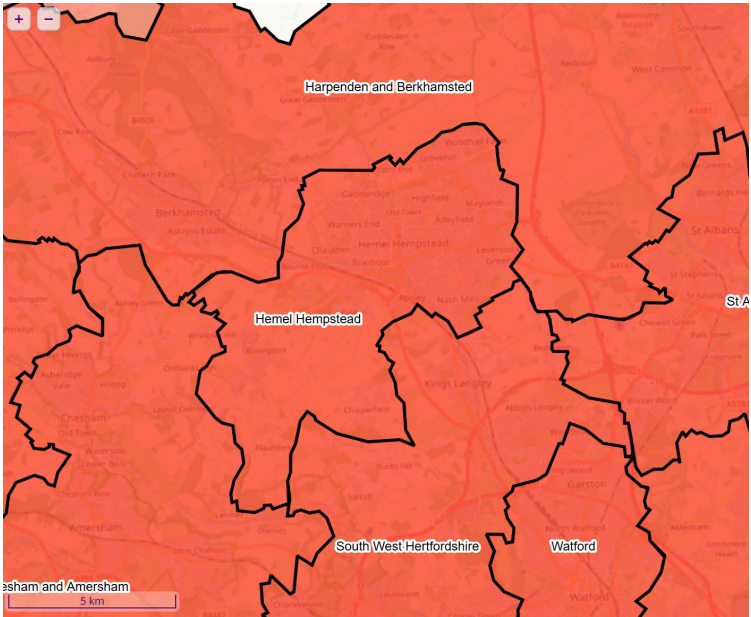
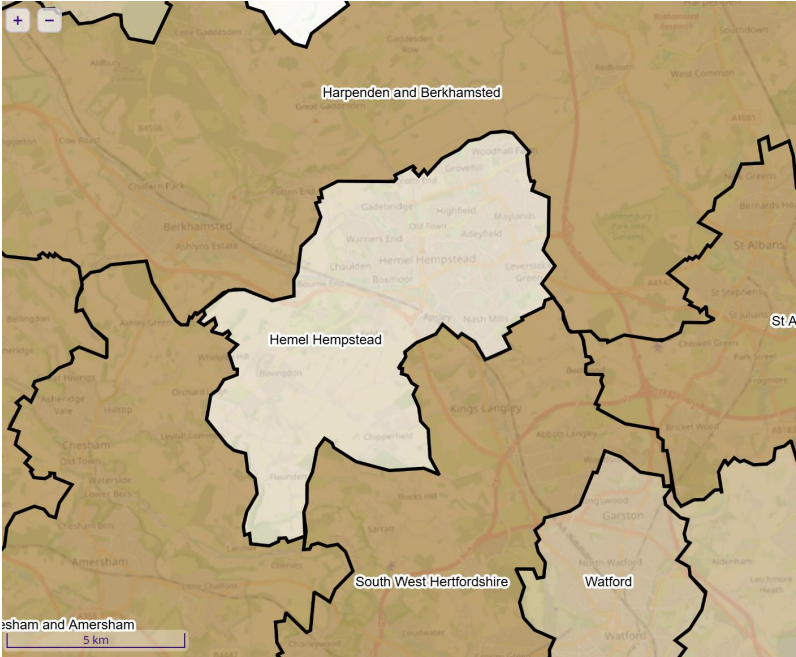
DONATION £

Proportion who donated

Donations as % of income

Total amount donated

Volume of donors or value of donations?



Why is Income Diversity Important?

Why is Income Diversity Important?

Helps build resilience

Can mitigate the impact of specific revenue losses

Creates further growth opportunities

Wider audience for Storytelling

What types of Income generation can your charity pursue?

Constitutional documents

Charity Commission Guidance

Charity Law and HMRC

Consultants

Avenues to explore to diversify your Income and build resilience

- Sources of Voluntary Income
- Sources of Self-generated Income
 - Storytelling

Disclaimer: The following slides cover a range of sector activities for signposting purposes only. Charities Aid Foundation does not advocate the use of any particular service or product discussed, except where expressly stated.

Third party Fundraising
Services

Third party Fundraising
Initiatives

Grant Funders

Free Will writing

Volunteers

Lottery

Engage your local
school

Engage your local
places of worship

Online Fundraising
Platforms

Charity of the Year

Corporate Partnerships

Parish Giving Scheme

Payroll Giving

Events

Legacy Gifts

Sources of Voluntary Income

Charity Shop

Peer Annual
Accounts

Pop-up shops

Online Sales

Commercial Mortgage

Sell a Brick

Rent Out Space

Social Enterprise

Community Café

Social Investment
Loans

Sources of Self-generated income

Interest returns on
cash-at-bank

Monetise part of your
service delivery

Regularly benchmark
Investment Funds

Storytelling

Website
Case Studies
Strategy
Five-year Plan
Grant Applications
Linked-In

Digital

Trustees

Local News

“The CEO is the chief marketing officer whether they know it or not” Jesse Bethke Gomez, Metropolitan
Centre for Independent Living

Instagram

Tik-Tok

Open Evenings

Social Media
Influencer

Corporate In-sight
sessions

Any Questions?

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