

LAUREN SMITH HR

Expert HR Consultancy

CHARITY SECTOR BENCHMARK REPORT · 2025/26

What Benefits Are Charities Really Offering?

A benchmarking report to help small and mid-sized charities make the case to their Boards for competitive, meaningful employee benefits.

56

ORGANISATIONS SURVEYED

10

UK REGIONS

25.8

AVG. DAYS ANNUAL LEAVE

89%

OFFER FLEXIBLE HOURS

Why Benefits Matter More Than Ever

In a sector where budgets are tightly constrained and salary often can't match the private sector, **employee benefits are one of the most powerful tools** charities have to attract, retain and motivate talented people. Yet many small and mid-sized charities aren't sure what's 'normal' — and hesitate to make the case to their Board without evidence.

This report analyses survey data from **56 UK charities** — the majority with budgets under £1 million — to give you a clear, honest picture of what the sector is actually offering. Use it as a conversation-starter, a benchmarking tool, and a springboard for your own benefit strategy.

Who Responded

Charities from across the UK, from fully remote teams to London-based offices. The largest group (45%) had budgets between £300k and £1m. Nearly 1 in 3 operate fully remotely.

How to Use This Report

Each section provides benchmarks, charts and direct talking points you can bring to your Board. Look for the Board Talking Point boxes throughout.

The report covers five benefit categories: Annual Leave · Family & Carer Benefits · Pay & Finance · Health & Wellbeing · Flexible Working & Career Development, plus a full benchmark table and board guidance.

Annual Leave

The Baseline: How Much Leave Are Charities Giving?

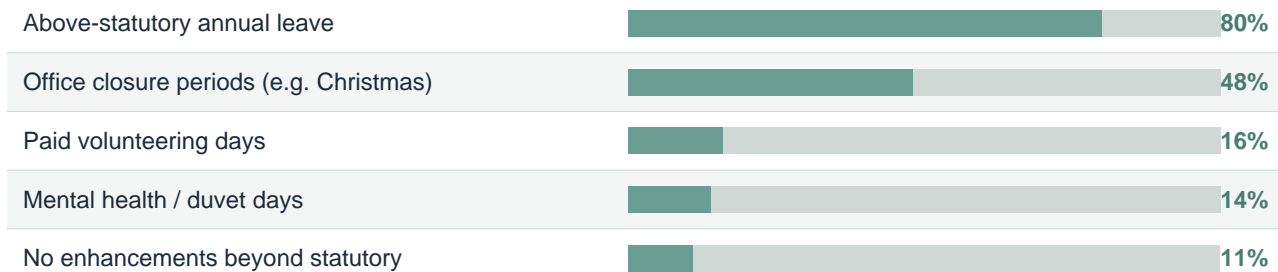
Annual leave is often the first thing candidates look at. Getting this right costs relatively little but signals a great deal about how an organisation values its people.

25.8 25 days is the clear median and most common starting entitlement. Almost 1 in 5 charities still start at the statutory minimum of 20 days, while a meaningful number offer between 25 and 30 days.

● Board Talking Point

20 days = bottom 20% of the sector. Moving to 25 days costs approximately 2% of salary and brings you in line with the majority. Frame it as a retention investment, not a cost.

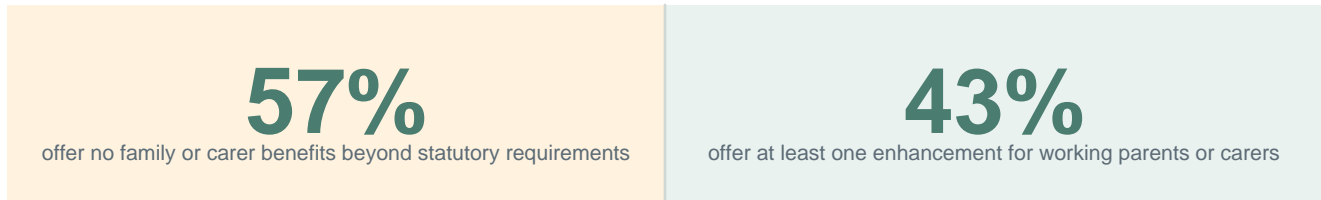
Leave Enhancements Offered



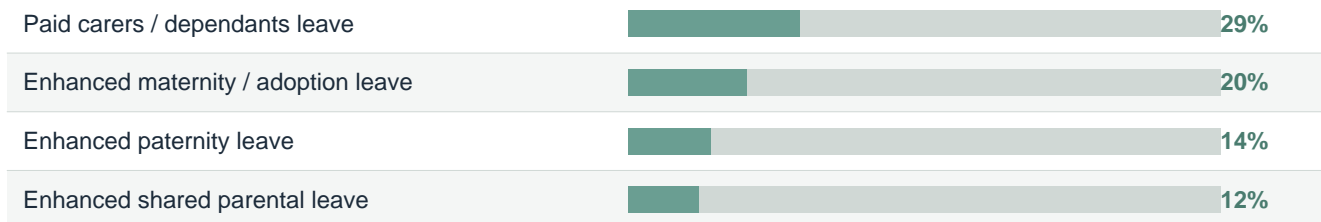
Family & Carer Benefits

A Clear Gap: Family Benefits Are Underdeveloped

This is arguably the area of greatest contrast across the sector — and represents a significant opportunity for organisations willing to invest even modestly.



What Family & Carer Benefits Are Being Offered?



"Flexible working with the option of term-time only working" — one organisation's approach, highlighting that flexibility itself can be a powerful family-friendly policy.

● Board Talking Point

More than half of charities in this survey offer nothing beyond statutory entitlement for parents and carers. Adding just 5 days of paid carers / dependants leave — the most common starting point — puts your organisation in the top 43% of the sector at minimal cost. For working parents, this benefit has an outsized effect on loyalty and retention.

Pay & Financial Benefits

Pay: Inflation-Linked Increases Are Now the Norm

Annual inflationary pay rises are now standard across most charities. The challenge is making them count — and building a broader financial package that retains talent.

Inflation-linked annual salary increase		59%
Staff perks / discount schemes		21%
Enhanced employer pension scheme		16%
Individual performance bonus		9%
Death in service / life insurance		9%
Charity-wide performance bonus		5%

● Board Talking Point: Pension

Only 16% offer enhanced pensions — yet those that do are generous (up to 12%). Pension is a top-3 priority for staff over 35. Lifting employer contribution from 3% to 5% can be transformative at modest cost.






Common Pay Rise Approaches

Approach	Description
✓ CPI/RPI tracking	Most common — e.g. '3% this year'
✓ Real Living Wage	A growing commitment across the sector
✓ Blended performance model	E.g. a 6% envelope split across team and individual
■ No increase for years	Still reported by some — a significant retention risk

Health & Wellbeing

Wellbeing Benefits: A Split Sector

Wellbeing and health benefits reveal a striking divide: organisations either offer several, or none at all. The **71% who offer at least one** wellbeing benefit tend to bundle them together.

Wellbeing / mental health support		37%
Enhanced sick pay		37%
Employee Assistance Programme (EAP)		30%
Private health / health cash plan		5%
No health or wellbeing benefits offered		29%

● Board Talking Point: The EAP Case

An Employee Assistance Programme is one of the most cost-effective wellbeing investments available — many providers offer counselling, legal, financial and wellbeing support for as little as £1–3 per employee per month. With 30% of charities now offering one, it's becoming a key differentiator for employer reputation. The CIPD reports EAPs are associated with measurably lower sickness absence rates.

● Enhanced Sick Pay — The Signal Staff Notice

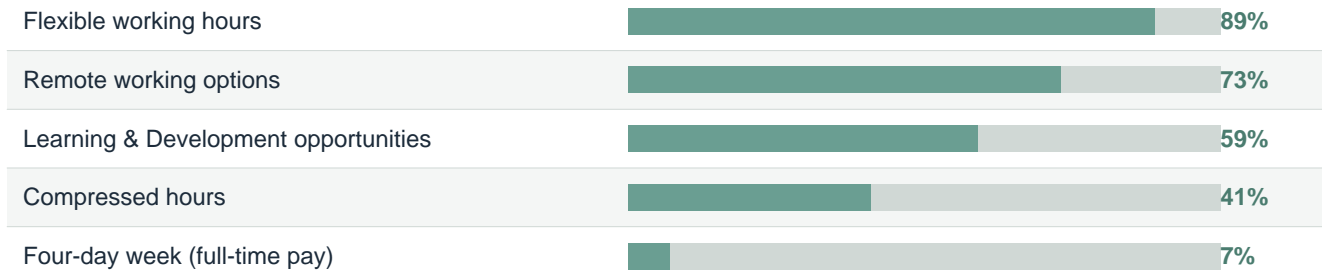
37.5% of charities now offer enhanced sick pay beyond statutory. This benefit is rarely used, but its presence sends a powerful message: we trust you and will support you when you're unwell. Even a modest enhancement carries an outsized effect on how valued people feel.

29% of charities still offer no health or wellbeing benefits whatsoever — a significant gap and a clear opportunity to stand out as an employer of choice.

Flexible Working & Career Development

Flexibility Is No Longer a Perk — It's the Baseline

Flexible working has become the expected standard in the charity sector, not a differentiator. The question now is how you build on top of it.



89
%

The highest adoption rate of any benefit category in the survey. Flexible working is an expectation, not a selling point. Focus your differentiation elsewhere: L&D budget, compressed hours, or four-day week pilots.

● Board Talking Point: L&D

59% offer learning & development but many describe it vaguely. Formalise it: attaching a set figure per-person annual training budget, and clearly stating it in your job offer, is concrete, memorable, and competitive.

● The Four-Day Week

Only 7% currently offer this — but it's growing fast. Sector-wide trials show negligible productivity loss and significant wellbeing gains. Early movers gain a powerful recruitment advantage.

Your Benchmarks

At a Glance: Where Does Your Charity Stand?

Use this table to quickly assess your current offer against sector norms.

Benefit	% Offering	Status	Priority / Notes
Flexible working hours	89%	Universal	Essential
Above-statutory annual leave	80%	Near-universal	High priority
Remote working options	73%	Common	High priority
Inflation-linked pay rises	59%	Majority	High priority
Learning & Development	59%	Majority	High priority
Office closure periods	48%	Common	Consider
Compressed hours	41%	Common	Consider
Wellbeing / mental health support	37.5%	Growing	High value
Enhanced sick pay	37.5%	Growing	High value
Employee Assistance Programme	30%	Growing	Low cost, high impact
Paid carers leave	29%	Growing	Equity-focused
Staff perks / discount schemes	21%	Emerging	Low cost, visible
Enhanced maternity leave	20%	Emerging	Retention critical
Enhanced pension	16%	Minority	Strong differentiator
Paid volunteering days	16%	Minority	Mission-aligned
Paid duvet / mental health days	14%	Emerging	Culture signal
Death in service insurance	9%	Niche	Strong benefit
Four-day week (full pay)	7%	Pioneer	Bold differentiator

Making the Case

How to Talk to Your Board About Benefits

Boards are right to ask hard questions about cost — and you'll land better arguments if you anticipate them. Here are four approaches that work:

1

Lead with Benchmarks

Use the data in this report to frame any ask as "catching up to sector norm" rather than "wanting more." Boards respond to evidence. Show where you sit in the distribution.

2

Quantify the Cost of Turnover

Replacing a member of staff typically costs 50–200% of their annual salary (recruitment, onboarding, lost knowledge). Benefits that retain staff one extra year often pay for themselves many times over.

3

Propose a Phased Plan

Don't ask for everything at once. Prioritise 2–3 high-impact, low-cost changes for year one — e.g. EAP + L&D budget + carers / dependants leave — with a clear roadmap for years two and three.

4

Connect to Mission

Charities that don't look after their own people model the opposite of what they preach. A strong employment offer is a values statement — and supports the mission by retaining experienced, motivated staff.

★ Your Quick Win Package — Three Cost-Effective Changes

Based on the survey data, three changes offer the best combination of low cost and high impact:

1. Employee Assistance Programme (~£1–3/person/month)
2. A formalised L&D budget (you set the terms)
3. Formalised paid carers / dependants leave policy (minimal cost — rarely claimed)

These alone would bring you into the top tier of the sector for staff-facing benefits.

READY TO TAKE THE NEXT STEP?

Let's build your people strategy

If this report has raised questions about your benefits offer — or you'd like expert support making the case to your Board — get in touch for a free, no-obligation conversation.

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How I Can Help Your Charity

- ✓ Benefits benchmarking & strategy
- ✓ HR policies & documentation
- ✓ Board & trustee presentations
- ✓ Recruitment & talent strategy
- ✓ Employee relations support
- ✓ Retained HR support

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