



# Impact of COVID-19 on Privately Run and Funded Residential Care Institutions

## Briefing Note for Donors and Supporters of Overseas RCIs

*This briefing paper draws on data and findings from the Impact of COVID-19 on Privately Run Residential Care Institutions study report.*



## Background

COVID-19 triggered unprecedented disruption on a world-wide scale. Governments enforced far-ranging public health measures, including stay at home orders, curfews and travel restrictions. These measures have had direct and indirect impacts on the provision of residential care for children and have forced residential care institutions (RCIs) to confront the sustainability and effectiveness of institutional models of care.

This study was a small-scale piece of qualitative research that involved 21 semi-structured interviews with founders, funders, and directors of RCIs across 7 countries. It was designed to better understand the impacts of COVID-19 on the operations of residential care institutions including funding, staffing, volunteering, children's care, education, family connection and reintegration. It also sought to understand whether COVID-19 has catalysed new opportunities for advocacy, awareness raising and stakeholder engagement in relation to transition and care reform efforts.

## Summary of Key Findings for Donors and Supporters of RCIs

### 1. Funding

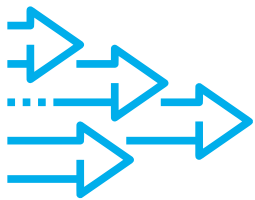


- 76%** of participating RCIs were entirely funded by overseas sources of income
- 81%** of participants stated that COVID impacted the financial situation of the RCI
- 47.6%** experienced a loss of international donor funding
- 38%** experienced a loss of revenue from income-generating activities
- 52.3%** experienced a loss of income from orphanage volunteering/visiting

## INSIGHTS:

Income-generating activity revenue was the fastest hit income stream at the onset of the pandemic. All participants with income-generating activities reported a drop in income. Funding models that relied on one-off or irregular donations from overseas donors (such as from fundraising events, speaking engagements and volunteers/visitors) were more significantly impacted than funding models reliant on regular giving. However, fundraisers that enjoyed strong relationships with individual donors and sponsors were able to better mitigate the impact of the economic effects of COVID-19 on donations.

Participants generally recognised that existing models of funding, especially those reliant on overseas donations, were unsustainable. Around a third of stakeholders (28.6%) were looking to reduce their reliance on overseas donations and were exploring more sustainable funding models. These findings add to the existing evidence from previous cost-benefit analyses that have shown that community and family-based service models are financially more favourable than residential care models.



## WAYS FORWARD:

COVID-19 has created a unique opportunity and appetite for donors to explore the financial sustainability of residential models of care. However, donors should be encouraged to explore both financial sustainability coupled with the sustainability of impacts on children (as these are interdependent when it comes to developing sustainable models of care for children). This consideration of financial sustainability should be utilised as a trigger for donors/supporters to also explore potential changes to the model of care.

## 2. Necessity of Institutional Care

**76.2%** of participants indicated a reduction in the number of children in care throughout the pandemic

**36.6%** Overall, an estimated 36.6% of children across participating RCIs returned to family temporarily or permanently during the pandemic

**61.9%** said some of these children had been permanently reintegrated and that in half of those cases, reintegration was unplanned

**38%** Only 38% of participants provided financial or material support to children who returned home

**53.8%** Despite this and the lack of reintegration planning, 53.8% of participants said no concerns had been reported, 38.5% reported wellbeing concerns (most notably weight loss, weight gain and inadequate exercise) and only 1 participant (5%) reported a child protection concern that was addressed by authorities

**38.5%** of participants reported a child protection concern that was addressed by authorities

**5%**

**14%** of participants were contemplating transitioning to programs where they would support children to attend local schools and receive education in their own communities

## INSIGHTS:

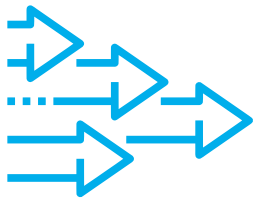
In line with global data, the insights suggest that children are being separated from families and placed in institutions unnecessarily with rationales for admission to care including narratives of orphanhood, neglect and family unwillingness, or incapacity due to poverty. These narratives were challenged during the pandemic with reintegration proving successful in many cases. Some participants expressed surprised at the degree to which families, including extended families, were able to provide adequate care to children, even during periods of lockdown.

“ What we learned is that family is possible, even in the worst situation, whereas before we thought it was impossible.

Experiences throughout the pandemic increased some stakeholders' openness to exploring family-based care and family strengthening as an alternative to institutional care. It provided an opportunity for some participants to see that reintegration can work in situations they otherwise would have deemed too challenging. It made them realise that there is often more they can do to support children to reintegrate back with families and that, in many cases, institutional care is prolonged for children who, with the right support, could return to their families. This included several stakeholders where children were primarily admitted for education purposes who now questioned the validity of family separation for this purpose.

## IMPLICATIONS:

These findings are useful for donors and advocates who are interested in supporting transition to non-institutional services yet have been hesitant to broach the conversation with donors. This may be due to past resistance from donors on the issue of transition, or hesitation amongst donors to impose their perspectives on local implementing organisations. Experiences throughout COVID-19 have shifted some stakeholders' perspectives and resulted in an increased openness to explore change without having to reconcile these changes with the implications for past models. This could reduce resistance and defensiveness towards changing models of care.



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## 3. Reflections and Plans for the Future



**90.5%** of participants stated that COVID had catalysed reflection to some degree and created an opportunity to consider or implement changes or adaptations

**33.3%** of participants were considering changes to their model of care, including either closure or transition to community and family-based services

**19%** of participants were considering changes to limited aspects of services or programs, such as increasing life skills and vocational training opportunities or strengthening care leaver services

## INSIGHTS:

The degree to which participant experiences throughout the pandemic translated into plans to change the model of care varied, and appeared to be influenced by whether the stakeholder held fundraising responsibilities. For those who did, the findings suggest that the ability to present change to individual donors and sponsors in a way that garners their continued support will be integral to their ability to engage conceptually with changes. It suggested that of all the stakeholders, fundraisers were the most empowered to act on their learning throughout COVID-19 and consider and influence significant changes to models of care.

“ This shift is very interesting and this we must communicate to our donors. I think the world is ready for this kind of solution.

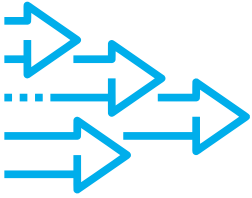
For stakeholders who did not hold fundraising responsibilities, their experience of the pandemic also catalysed reflection and consideration of change. However, they were typically considering smaller changes to aspects of their operation that were within the bounds of their control and would not have significant implications for funding or donor support.

“ We are trying to minimise the number of children to take into care and focus on helping the grown-up children more. My mindset for taking in more children has changed during COVID.



## IMPLICATIONS:

These insights show the influence that fundraisers and donors have – and can use – to catalyse transition and changes to models of care. It shows how important it is for donors who are open to change to initiate conversations with partner residential care institutions and affirm their support to enact changes to the model of care. It also suggests that where directors are not primary fundraisers, it is imperative that alternate funding sources are assured in order to encourage engagement with a change to their model of care.



## WAYS FORWARD:

- It is important for all stakeholders – but especially donors – to recognise that funding is a driver of models of care. If residential care is funded, it will continue. If funding is instead directed towards transition, it can be a key catalyst for change. Whilst donors may see themselves as playing a supporting role, this is rarely the case in practical terms. Donors and fundraisers are enablers and key actors in transition and care reform efforts.
- Consider respectfully yet openly discussing support of family-based care and transition with implementing partners. This study suggests that the act of initiating such conversations may give permission to directors, who are open yet feel disempowered due to funding arrangements, to consider changes to models of care.

