



# Thanks for £1

Factory Briefing

26th May 2011

If you give a modest gift – under £1,000, to your school or university, what are your chances of getting listed in their website or annual report?

Good, according to data in Factory Phi.

In this Factory Briefing we report on our analysis of reported giving and show the wide difference in thanking practice across five UK nonprofit sectors. We suggest five strategic implications for UK nonprofits.

**Factory Phi** is our database of donors and supporters of UK good causes. Continuously updated, it currently holds over 220,000 records of donations and support representing over £14bn in total value, including:

102,910 donations made by individuals

50,083 grants awarded by trusts and foundations

23,380 donations made by companies

11,663 records of trusteeships

Details of the database are here: <http://www.factory.com/Phi.html> and a four-minute introductory webcast is here: <http://www.factory.com/weblog/?p=132>

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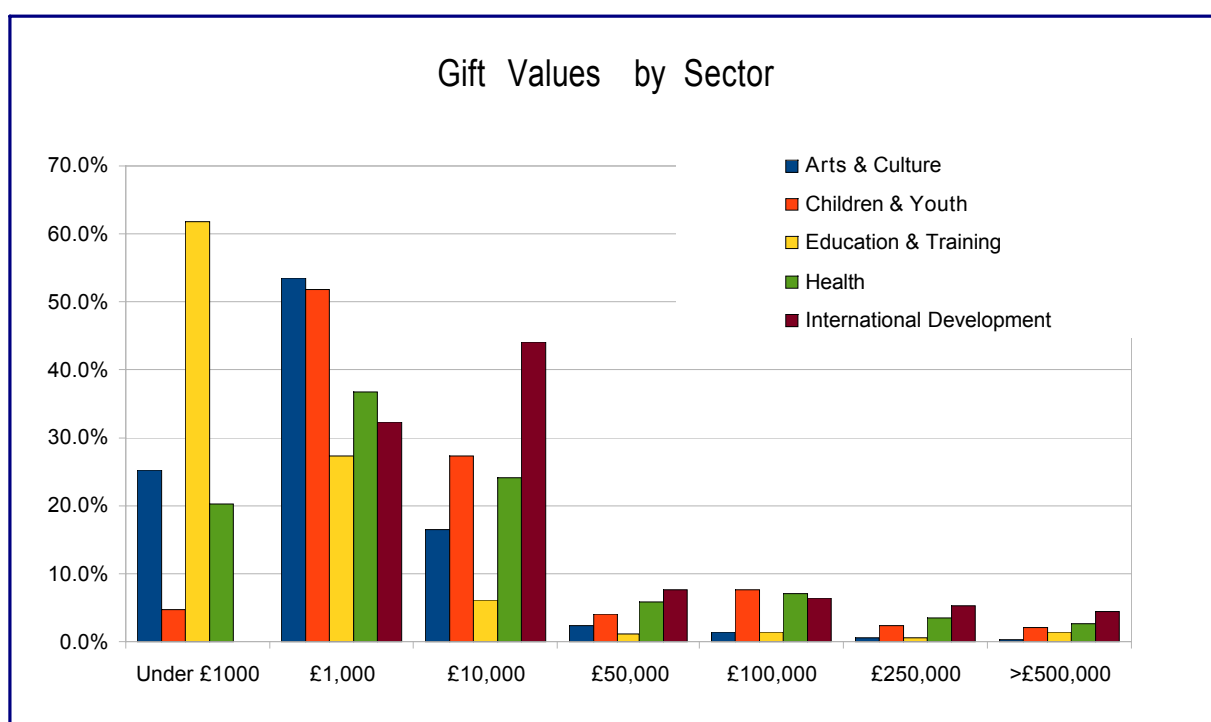
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## Research

We analysed a random sample of 10% of the database (see The Small Print, below), focusing on the levels of donation that trigger a public mention – either in a website or an annual report. We reviewed five sectors – the arts, children and youth, education and training, health, and international development.

The graph shows the gifts by sector, analysed into gift bands (“£1,000” means all gifts reported between £1,000-£9,999.) The left hand column is the percentage of all publicly reported gifts to each sector showing a £ value.



### The Graph, Explained

As an example: the yellow columns represent reported gifts showing a £ value to the education sector (e.g. “The University of Redbrickshire would like to thank Mrs Jane Rich for her donation of £583 to the Library Fund,” or “Mrs Jane Rich, donor to our £500-£1000 Club”).

In the left hand set of columns in the graph above the phrase “Under £1,000” we can see that 62% of the reported gifts to the education sector are in the range under £1,000 – in fact some are as low as £40. In the next-to-left set of columns we can see that 28% of gifts to the education sector (the yellow column) are in the range £1,000-£1,999. In this briefing paper we are interested in the wide differences between levels of gift reporting. Why does the education sector report and publicly thank its small donors while the International Development sector does not?

## Key Findings

### *The education and training sector thanks, publicly, under £1,000.*

A modest gift (under £1,000) to your university or school is more likely to be thanked publicly, and the amount of the gift acknowledged, than the same gift to an international development charity. 62% of the donors to education and training who are thanked publicly for a donation amount are giving less than £1,000, against 0% (none) for international development organisations, and 20% for health organisations.

### *The arts and culture are winning at low mid-level donors*

Over half (53%) of all publicly reported gifts to arts and culture are in the low mid-range (£1,000-£9,999), where the sector dominates. This is true both in terms of percentage of donors and absolute numbers; arts and culture have 1.4 times as many donors in this sector as their nearest numerical rival, the education and training sector. Children and youth organisations also do well at this level, with 52% of all reported gifts to this sector occurring in this range.

### *International Development organisations report more high mid-level*

Four in every ten publicly reported donations to international development are in the high mid-level - £10,000-£49,999. International development organisations don't bother reporting gifts under £1,000, but have a substantial lead over other sectors in this £10,000-£49,999 range in percentage terms. This lead is by percentage, not numerical – in fact the numbers of donors in this range to International Development organisations is small compared to the numbers of donors in the same range to arts and culture.

### *Is the Health Sector is missing out?*

In all of the donor segments we have analysed here the health sector comes second or third placed. The health sector is not winning in any single reported donor segment, and the numbers of donors it is thanking publicly are also low compared with other sectors. It is worth remembering (see 'The Small Print') that these are publicly recorded gifts and that there may be resistance in the health sector to name donors, but it is striking that even at the high end of the gift range, health does not come first.

### *Major donors are the most valuable*

Not surprisingly, donors in the range £500,000 and above provide most of the value of gifts reported here – 53% of gifts by value across the five sectors are in this top range.

But that is not the case with the arts and culture sector, where the £10,000-£49,999 range is the most valuable in total income to the sector, representing 24% of reported gifts by value to the sector.

These two sectors are relevant in part because of the numbers of trusts and foundations supporting them – the subject of a future briefing note.

## Implications, for your organisation

- Carry on Thanking!
  - Donors are getting more “thank you effect” from the education sector – so if you are in another sector, consider whether or how you might thank, more.
- Review your gift table against this data!
  - Are you matching the market, or doing better with some sectors than with others? This is especially relevant if you are in the health sector.
- Focus on the £10,000-£49,999 range!
  - It’s a key segment for the arts and culture sector – are you missing out? In this range, focus especial attention on trusts.
- Big money counts!
  - This research confirms findings in other research projects – the greatest value is in the largest donors.

### **The Small Print**

Factory Phi contains data drawn from the public domain about supporters of good causes in the UK. The data is limited to the donations reported in the public domain, and readers should be aware that this will bias against anonymous benefactors. It may also create bias in favour of sectors that tend to report giving more publicly. This analysis was carried out using a randomised 10% sample of the data set. Just over half (52.1%) of the records show either an amount donated, or a gift band (e.g. £10,000-£50,000). For this analysis we worked only with records that showed an amount or gift band figure. We grouped records by amount or by the lower value of the gift band (in our example, £10,000), so our results are conservative. We classified donations by type using the 18-point Factory Phi classification system; for donations that cover more than one type we selected one type randomly.

***For more information about Factory Phi;***

- Visit our website [www.factory.com/phi.html](http://www.factory.com/phi.html)
- Watch our four-minute explanatory webcast at [www.factory.com/weblog/?p=132](http://www.factory.com/weblog/?p=132)
- Contact Laurie Krohn, [laurie@factory.com](mailto:laurie@factory.com), or +44 (0)117 916 6740 to ask for a live online demonstration

***For more information about Factory's other services;***

- Take a look at our website [www.factory.com](http://www.factory.com)
- Contact Shaun Gardiner, [shaun@factory.com](mailto:shaun@factory.com), or +44 (0)117 916 6740

***Sector Studies – The Venture Philanthropists***

Factory Phi is one of many sources we use for sector reports and market studies. Most of these are produced privately for clients. But we recently published a report on Venture Philanthropists in the UK. For more information on our Venture Philanthropists in the UK report, see <http://www.factory.com/weblog/?p=121>