

## Taken for Granted

Factory Briefing

28th June 2011

Which organisations are winning grants, investment and finance from trusts?  
How big is the market, and what are the patterns?

Factory Phi, which reports more than £2.5 billion in named gifts by grant-making trusts to UK non-profits, has become a vital source of information on finance and grants from trusts to non-profits. It includes the names of 6,400 grant-making trusts. For comparison, DSC's Trusfunding lists just 4,400, while CAF's Charity Trends lists 4,078.

In this Factory Briefing we have used the wealth of data in Factory Phi to show the wide variations in giving by trusts across UK non-profit sectors.

**Factory Phi** is our database of donors and supporters of UK good causes. Continuously updated, it currently holds over 242,000 records of donations and support representing over £16bn in total value, including:

113,702 donations made by individuals  
52,794 grants awarded by trusts and foundations  
£2,582,708,318 in grants awarded by trusts and foundations  
25,341 donations made by companies  
11,674 records of trusteeships

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

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## Research

We analysed a random sample of 10% of the database (see **The Small Print**, below). We compared our data with data drawn, June 2011, from CAF's Charity Trends data set which is in turn based on the Charity Commission's data.

### *Education, and Animals*

These two sectors, classified in Factory Phi as "Education and Training" and "Animals" (i.e. animal care and welfare) represent the two extremes of the grant-making trust world. With more than £1 billion in grants identified in Factory Phi, the education sector is reporting, into the public domain, almost half of all reported grants. The mean reported grant to education by a grant-making trust is £93,316.

At the other end of the scale are the non-human animals. Here, with a total of just under £10m in grants reported in the public domain – 0.8% of the amount reported by the education sector – charities for animals are reporting mean grants of £33,903.

These are figures drawn only from publicly reported grants (see **The Small Print**, below) so there is the potential for bias but because the coverage of the grant-making trusts sector is so broad we are confident that they are close to reality. With Factory Phi, grant-making and fundraising organisations have a benchmark for how much to give, and how much to ask.

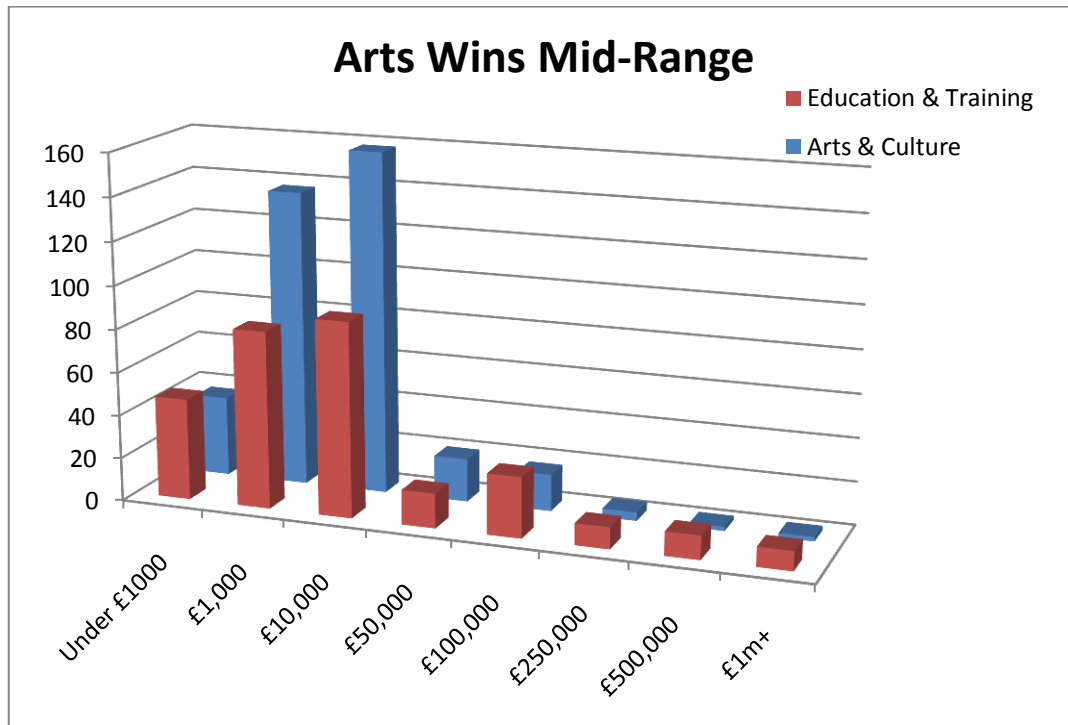
#### *For Factory Phi Subscribers*

We recommend that Factory Phi subscribers benchmark their average grant size performance against the average for their sector.

It's a revealing exercise. We'd be happy to show you how.

### ***Arts, Winning at the Mid-range***

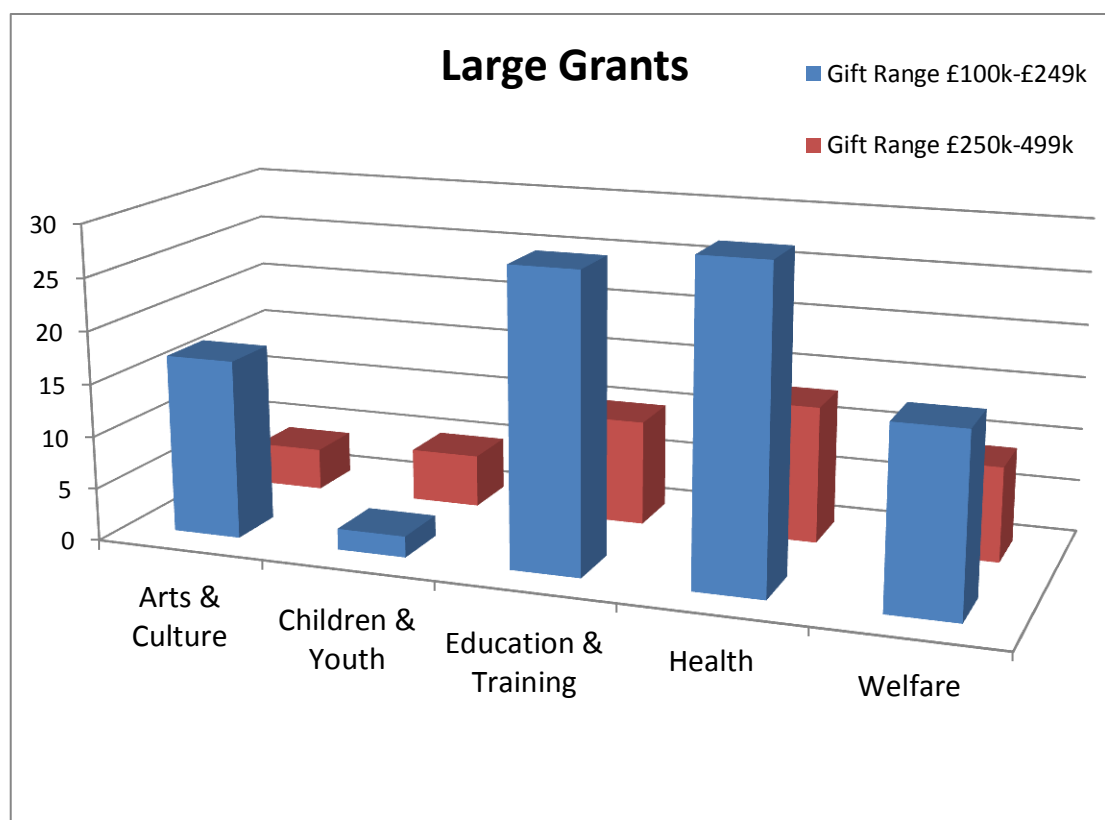
The arts sector is reporting larger numbers of grants in the mid-range – from £1,000 to £49,999 than any other sector. They report better results in this range than education and training:



*Is this because arts fundraisers are asking for these amounts? Or because arts grant-makers are limited to these amounts? We'd welcome your views and comments.*

### ***Health and Education win the larger grants***

In the ranges £100,000-£249,999, and £250,000-£499,999 it is the health sector, closely followed by education and training, that are reporting the largest numbers of grants. There are a few very large grant-makers such as Wellcome Trust and the GAVI Fund that will skew this data but the comparison with the arts sector or with Children and Youth is clear:



### ***How many grants are being reported in the public domain?***

This is the kind of question that researchers love, because it is full of definition problems. The first of these is the definition of “grant-making trust”. This is not, of course, a legal definition. It is just a label stuck onto certain charities to help people distinguish between an entity whose primary purpose is to make grants to other organisations, and an entity that seems to spend most of its time raising funds.

This issue is apparent in our next experiment. We have used data from CAF’s Charity Trends data set to estimate the total grant making, per sector, by “grant-making trusts”. CAF classifies trusts such as the Wolfson Foundation or the Garfield Weston Foundation as grant-makers. But it also classifies Oxfam and ActionAid as grant makers

because, of course, they raise funds in order to make grants to development projects. So we have had to tweak the CAF data a little to make it match the Factory Phi classification of grant-makers. Bearing that caution in mind we are pleased to say that, in certain sectors, Factory Phi is reporting a substantial proportion of all the grants made in that sector.

In education, for example, CAF Charity Trends reports that in 2008 there were £467m in grants made by grant-making trusts. Factory Phi, for the same year, names £96m in grants made by grant-making trusts – i.e. one in five of all grants made. The good news is that Factory Phi names the grant-maker and the grant-recipient, and shows the amount given for each of these grants (whereas CAF simply lists the name of the grant-maker and shows their total giving).

In the arts sector Factory Phi does even better, reporting 41% of all grants made to the sector in that year (we chose 2008 because both Factory and CAF had complete data for that year). Other sectors show lower levels of reporting; for example, Factory Phi names grant recipients and amounts for just over 10% of all grants to religious causes.

## Implications, for your organisation

- **Market Review**
  - The data in Factory Phi gives us a picture of the market – and benchmarks for sector performance. Use these benchmarks to check your organisation.
- **If you want big money, get into education**
  - This is not the first survey to show that education is a popular topic amongst grant-makers. Review your projects and programmes to see where your work could be presented as education or training.
- **Thank your donors, by amount**
  - Relax. It is now normal practice to state the amount given by a grant-making trust in your annual report or website. 59% of named donations by grant-making trusts show the amount, or the gift-range.
- **For volume, focus on the £10,000-£49,999 range**
  - If you want to maximise the number of trust supporters (because a wide range of supporters is a stable base for future income) focus on this range.
- **For value, focus on the large grants**
  - If you want to maximise income, aim at the £250,000-£499,999 range. It's where the value lies.

## ***Venture Philanthropy – a different type of trust***

Venture philanthropy is not, definitely not, “grant-making.” But a number of the entities that are involved in venture philanthropy are charitable trusts. Factory recently published a report on the venture philanthropy sector in the UK, and the people behind it. For more information on our **Venture Philanthropists in the UK** report, see <http://www.factory.com/weblog/?p=121>

### **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. Over half (59%) of the records classified as grant-making trusts 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