



City Research Online

City St George's, University of London

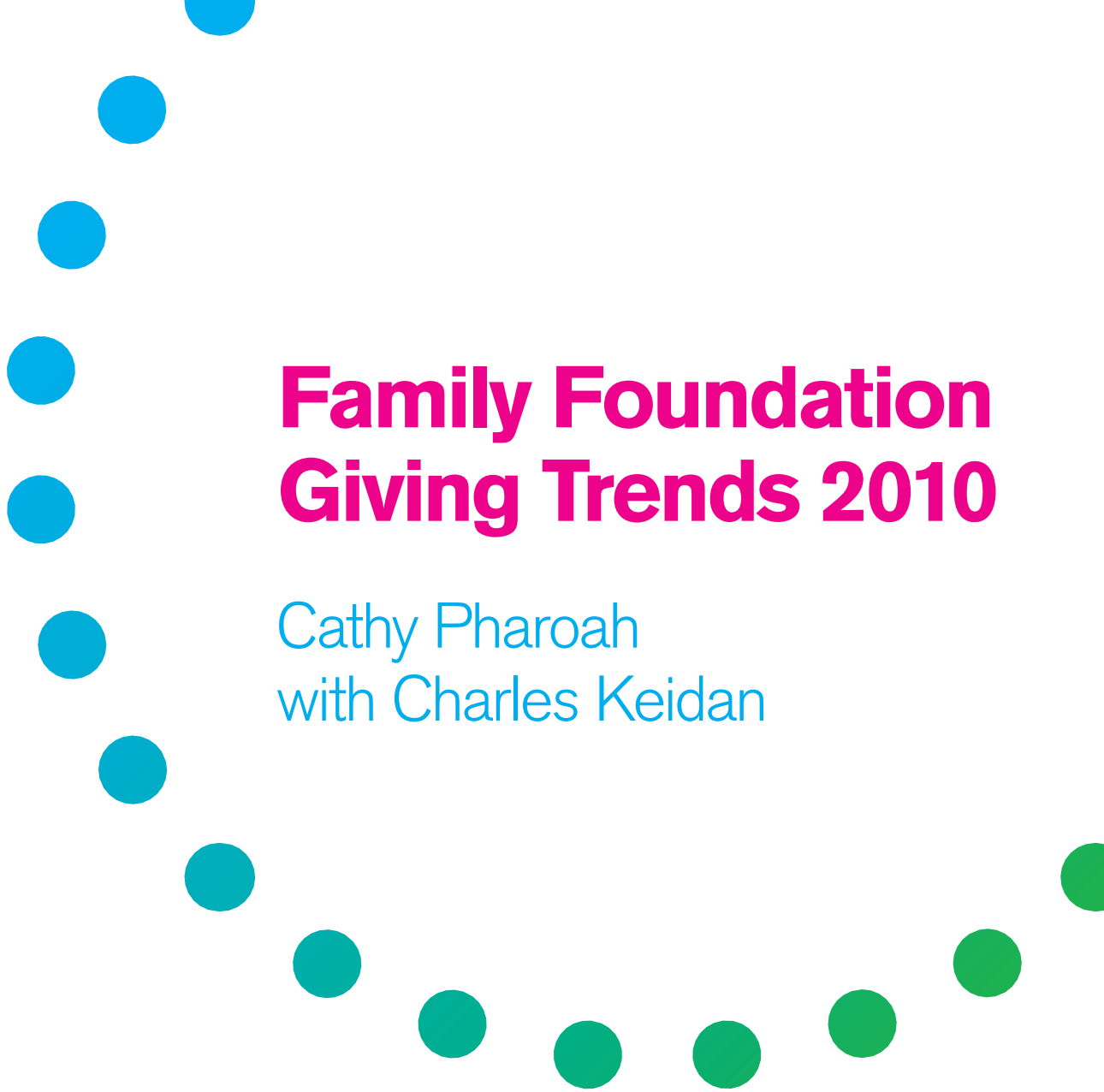
Citation: Pharoah, C. & Keiden, C. (2010). Family Foundation Giving Trends 2010. London: Alliance Publishing Trust.

This is the published version of the paper.

This version of the publication may differ from the final published version. To cite this item please consult the publisher's version.

Permanent repository link: <https://city-ref-test.eprints-hosting.org/id/eprint/16857/>

Copyright and Reuse: Copyright and Moral Rights remain with the author(s) and/or copyright holders. Copies of full items can be used for personal research or study, educational, or not-for-profit purposes without prior permission or charge, unless otherwise indicated, provided that the authors, title and full bibliographic details are credited, a hyperlink and/or URL is given for the original metadata page and the content is not changed in any way. For full details of reuse please refer to [City Research Online policy](#).

A decorative arc of colored dots in shades of blue, teal, and green, curving from the top left towards the bottom right of the page.

Family Foundation Giving Trends 2010

Cathy Pharoah
with Charles Keidan

Family Foundation Giving Trends 2010

Cathy Pharoah
with Charles Keidan

Published by Alliance Publishing Trust
Copyright © 2010 ESRC Research Centre for Charitable
Giving and Philanthropy, Cass Business School

All rights reserved.

ISBN 978 1 907376 08 5

Alliance Publishing Trust
1st Floor, 25 Corsham Street
London N1 6DR
UK

publishing@alliancemagazine.org
www.alliancepublishing.org

Registered charity number: 1116744
Company registration number: 5935154

A catalogue record for this book is available
from the British Library.

Typeset in Akzidenz Grotesque
Design by Benedict Richards
Printed and bound by Hobbs the Printers,
Totton, Hampshire, UK

This book is printed on FSC approved paper.



Contents

Acknowledgements 5

About the authors 5

Foreword 7

Findings in brief 9

1

Introduction –family giving through foundations 11

- 1.1 Context of the report 11
- 1.2 Why focus on giving through family foundations? 11
- 1.3 Aims and objectives of the research 11
- 1.4 Summary of the methodology 13

2

Results – UK family foundation giving 2008/09 14

- 2.1 Family foundation giving 2008/09 14
- 2.2 Trends in UK family foundation giving 15
- 2.3 Comparative annual growth rates in giving and GDP 15
- 2.4 Assets and resilience in giving 16
- 2.5 Dominance of a few large family foundations 17
- 2.6 Family foundations operating internationally 19
- 2.7 Other family foundation resources 19
- 2.8 Can foundations provide 'future-proof' funding? 19
- 2.9 Table of largest 100 family foundations (by giving) 2005/06 to 2008/09 20

3

UK and US comparison: family foundation giving 2008/09 24

- 3.1 Comparing the UK with the US 24
- 3.2 Level and share of giving in the US 24
- 3.3 Trends in US family foundation giving 25
- 3.4 Impact of Gates on the data 26
- 3.5 Comparison of four-year trends in UK and US 26
- 3.6 Giving as a share of Gross Domestic Product 27
- 3.7 Comparison of trends in UK and US family foundation assets 27
- 3.8 Strength in UK and US family foundation giving 28
- 3.9 Family foundations in other European countries 28
- 3.10 Table of largest 100 US family foundations (by giving), 2008/09 30

4

Contribution of UK family foundation philanthropy 32

- 4.1 A 21st-century philanthropy? 32
- 4.2 Approach to profiling 32
- 4.3 Strong individual interests, collective diversity 32
- 4.4 Responsiveness 33
- 4.5 Leadership and innovation 34
- 4.6 Global issues 34
- 4.7 Education 35
- 4.8 Arts and the major cultural institutions 36
- 4.9 Faith 36
- 4.10 Family foundations and founders today – an illustration 37
- 4.11 Overview – independence with collaboration, responsiveness with leadership 42

5

Conclusions and forward look 43

Appendix 1 Historical background, scale and scope
of charitable foundations today 45

Appendix 2 Definitional note 48

About CGAP 50

About Pears Foundation 50

Family Foundation Philanthropy 2009 51

About Alliance Publishing Trust 52

Acknowledgements

This research project is a collaboration between academics and practitioners in the philanthropy field. It developed from the initial vision of Pears Foundation, which has been a partner since the study's inception in 2008.

We would like to express our great appreciation to Ian Mocroft for extensive help in compiling the data for the report.

We thank the Foundation Center in New York for continued help in obtaining US foundation data.

All reasonable care has been taken to ensure the accuracy of the publication at the time of going to print. The publishers cannot accept responsibility for any errors or omissions.

About the authors

Cathy Pharoah is Professor of Charity Funding and Co-Director of the ESRC Research Centre for Charitable Giving and Philanthropy, Cass Business School.

Charles Keidan is the Director of Pears Foundation, a family foundation based in London.

Foreword

Our family foundation has supported this research project since its inception. We felt that it was important to produce a report, without sensation, that established an accurate and transparent indicator of current giving trends.

We did so in the firm belief that philanthropy and family giving have a long and proud tradition in the UK but that, sadly, this sort of positive news is rarely highlighted.

We hope that the report will encourage greater thinking about, and possibly an increase in, philanthropy and the creation of family foundations.

As one of three brothers I have always felt very privileged to hold the position of Executive Chair of our foundation. In our case we have a small professional team to help the family focus and bring greater impact to our giving.

I have found that a family foundation can be more than simply a vehicle through which to channel money. It has helped us to develop a strategic approach to our philanthropy. We have been able to ask important questions and find some answers too. We commission research in areas of interest and try to evaluate our work. We have learnt to adopt a long-term perspective, sometimes taking what might be perceived as risks.

I believe that family foundations can also play an important role in debates on public policy. In most cases we do not purport to be experts in the areas in which we work. However, we do believe that we have developed some expertise in how best to fund these areas. Family foundations are fully independent, can take risks that neither government nor the wider voluntary sector always feel able to take, and also have a voice that can challenge established thinking free from fear or favour.

With the state currently in retreat, I think family foundations can play an even more important role in pointing the way towards tackling social issues in the UK and beyond.

I believe that everyone wants to 'make a difference' in the world. I also believe that anyone can. For our family, its foundation has helped bring some meaning to this term.

Trevor Pears

Executive Chair, Pears Foundation

London, November 2010

Findings in brief

Background to the report

Family Foundation Giving Trends 2010 is the third in a series of annual reports tracking trends in the giving of the largest 100 UK family foundations, comparing them with the US.

Amidst increasing interest in the role of philanthropy in building a better society as public expenditure reduces, this report highlights major family giving through foundations.

Many new family foundations have been established over the last couple of decades, largely funded by the successful entrepreneurs of an era of expanding global markets and capital flows. They include the Waterloo Trust, set up by owners of Admiral Insurance; the Volant Trust, set up by J K Rowling; the Foyle Foundation; the Martin Smith Foundation; and the Children's Investment Fund Foundation. This report looks at the scope of family foundations' activities, and the role that they play in addressing social issues in the UK and abroad today.

Financial results

UK

The results show that the largest 100 family foundations are making a substantial and growing contribution. Family foundation giving has shown resilience in the face of the economic downturn.

- Family foundations gave around £1.4 billion to charitable causes in 2008/09.
- Their giving represented 9% of all private giving.
- Between 2005/06 and 2008/09 the amount given increased by 40%.
- This represented an average 9% per year in real terms, significantly outpacing growth in the economy.
- While family foundations' asset values fell by a real 12% in 2008/09, their giving fell by just 0.2%.

US/ UK comparison

Similar trends were found in US family foundation giving. In both countries, family foundation giving grew strongly in the years of economic growth, and fell significantly less than other forms of giving when the economic crisis hit markets.

Other indicators also showed the strength of family foundation giving in both countries.

- Their share of all foundation giving went up over the period from 2005/06 to 2008/09 by 4% in the UK and 6% in the US.
- Foundation giving also increased in value as a percentage of GDP, from 0.09% to 0.1% in the UK in 2008/09, and from 0.05 to 0.06% over two years in the US.

Behind the numbers – a 21st-century philanthropy?

Behind the numbers for family giving through foundations lies the story of their contribution. The report asks how family foundations are responding to the major challenges of society today. What ‘big picture’ of 21st-century philanthropy is emerging from this £1.4 billion of giving?

Looking at a sample of the activities of 16 of the newer family foundations in detail, it is found that family foundation philanthropy is spread over a breath-takingly wide range of issues and areas.

A huge diversity of interests emerges, driven by the varied interests and experience of the founders. Responsiveness to those with the greatest needs, or those who have been marginalized, is shown in the wide range of groups who receive help, including women in prison, bullied children, the elderly, and disaffected young people.

Help is often extremely localized, but foundations also work on a global scale, aiming to make demonstrable and measurable improvements in issues such as the health and education of children in developing countries.

Imagination and leadership is shown through some foundations’ attempts to take innovative approaches to society’s more intractable problems. These include the development of enterprise and entrepreneurial skills in areas of deprivation, new centres for research and policy development in environmental issues, and use of new forms of social investment.

Family foundations are significant investors in education and science, and make a huge contribution to maintaining and developing the cultural and environmental heritage. They can mobilize powerful networks, contacts and other non-financial resources to bear on the problems they tackle, and develop partnerships at all levels of society.

Family foundations provide highly important public and philanthropic partnership funding. But their resources are very thinly stretched. The data shows the heavy dependence on a small number of large foundations in the UK. While representing just 0.1% of the economy, they appear spread over a field of need and opportunity as wide as – if not wider than – that of government.

Often driven by family and individual concerns, family foundations make a broad contribution across society, as has been seen in the US and other countries. They provide a strong model for wealthy families and individuals to get involved in philanthropy. The research has shown how much can be attempted with limited resources and indicates what could be achieved with both more money and strategic vision.

1 Introduction – giving through family foundations

1.1 Context and purpose of the report

Family Foundation Giving Trends 2010 is the third in a new series of annual updates which track trends in family giving through foundations, aiming to provide a key benchmark on its value and growth.¹

Amid growing awareness of the important role that philanthropy can play in today's social wellbeing, both local and global, and in the government's vision of a 'Big Society',² this report aims to highlight major giving through family foundations.

From the multi-million-dollar global philanthropy of Gates and Buffett, and the huge contributions of the Sainsbury family to UK science and culture, to J K Rowling's support for one-parent families, family foundations are making a vital but under-explored contribution to society.

1.2 Aims and objectives of the research

The overarching aims of the study are to:

- encourage the transparency and accessibility of information on family foundation giving;
- enable more informed public discussion about the role of philanthropy in society;
- encourage more and effective giving through access to information and example.

The specific objectives of the research are to:

- track accurate annual levels and growth in family foundation giving;
- monitor longer-term trends;
- compare patterns in the UK with those in the US;
- profile the range, scope and contribution of family foundation giving.

1.3 Why focus on giving through family foundations?

Family foundations are only one vehicle for family giving, so why does the report take them as its focus? A main reason lies in the difficulty of getting accurate data on major giving in the UK. The last few decades have seen escalating private wealth built on the success of global markets and capital flows, but there is no hard data on the value or growth of major new philanthropy that has resulted from it. Though there are many individual examples of major giving, government tax-related data on giving is generic and does not, for example, publish a breakdown of tax reclaimed by size of gifts. Published figures for giving in the UK are generally derived from a number of fragmented government, third sector and market

¹ C Pharoah (2008) *Family Foundation Philanthropy 2008* Centre for Charity Effectiveness, Cass Business School; Cathy Pharoah (2009) *Family Foundation Philanthropy 2009* Alliance Publishing Trust, London.

² Cabinet Office (2010), *Big Society*, CAB 0591018/ May 2010.

sample surveys, which provide only partial data as they do not have sufficiently robust samples of high net worth donors and gifts to assess major giving accurately.

An accurate annual benchmark

Because of the difficulty of getting data on major giving in the UK, this report focuses on providing one accurate and reasonably measurable annual indicator of trends: the actual annual charitable spending of family foundations. There are two reasons for taking this approach. One is that reliable and consistent data on giving can be derived from figures published annually in the audited and mandatory regulatory reports that foundations submit to the Charity Commission. This approach does, however, present its own methodological challenges, and these are summarized briefly below and explained more fully in Appendix 2.

The second reason is the evidence that, just as at the turn of the 20th century when Carnegie and Rockefeller in the US, Joseph Rowntree in the UK, and Robert Bosch in Germany were established, family foundations are playing an important role in philanthropy today. New charitable family foundations have been emerging across the globe, within countries of very different political, fiscal and regulatory regimes, and evidence on the creation of many new family and other foundations is set out below. Research has suggested that foundations are the most popular vehicle for philanthropic giving among the wealthiest European high net worth donors.³

It is difficult to predict how such activity will be affected by recent economic turbulence. Without an accurate and transparent measure of major philanthropy, it is difficult to know how generous we are, what we might aspire to, and whether our philanthropy punches above or below its weight.

Current surveys and indexes

Regular general population surveys such as *UK Giving*, published annually by the National Council for Voluntary Organisations (NCVO) and the Charities Aid Foundation (CAF), provide a valuable and consistent series of data, but lack a sufficiently robust sample of high net worth major donors to capture their giving accurately. Such a survey would be both difficult and expensive and, according to research commissioned by HMRC, may not even be feasible.⁴

Other data collection exercises, such as the *Sunday Times* Giving Index in its annual Rich List or the Coutts Million Pound Donor project,⁵ also provide useful information. These do not provide an annual benchmark, variously combining data in any one year from one-off direct annual gifts, gifts into new or existing foundations to be spent later, gifts from foundation income derived from past gifted endowments and, in some cases, pledges for the future.

³ P Lomax (2007) *Advice needed. Philanthropy amongst ultra high net worth individuals and family offices in Europe* New Philanthropy Capital, London.

⁴ J Taylor, C Webb, D Camerson (2007) *Charitable Giving by Wealthy People* Ipsos Mori for HMRC. www.hmrc.gov.uk/research/report29-giving-by-wealthy.pdf

⁵ B Breeze (2009) *The Million Pound Donor project* Coutts/CPHSJ, Kent University.

1.4 Summary of the methodology

Data	Data collection focused mainly on the largest 100 charitable family foundations in the UK and the US, for two reasons. First, a restriction to the largest 100 organizations in each country made the project feasible. There are no pre-existing databases of family foundations, and each foundation has to be individually identified using a number of criteria – a resource-intensive task. Second, these organizations provide a substantial sample of all charitable family foundation spending by value because of the financial dominance of a small number of very large foundations in each country (see figures in Chapter 2).
Timescale	It was decided to include family foundations generally established in the latter part of the 19th century, a great era in the history of family foundations, and onwards.
Sources⁶	The report is based almost entirely on secondary analysis of published charities' accounts data for the period 2005–2009.
Reporting year	Foundations, in common with other charities, adopt different 'year-end' months for their annual reporting, and the time they take to publish reports also varies considerably. This means that in a 'snapshot' study like this, which aims to compile the best data available at a certain point of time, the charity accounts used are not all standardized to the same year. Wherever it is felt that this influences the general findings in some way, it is noted in the text. It should be noted that while tables are labelled 2005/06 to 2008/09, in practice some charity accounts vary.
Financial indicator	Family foundations work in financial and non-financial ways, but the focus of this research is to identify annual levels of family foundation charitable expenditure or 'spending' (also referred to as 'giving' or 'philanthropy' in this report); the figure includes their charitable expenditure on grants to organizations and individuals, as well as any operating programmes such as, for example, in the large scientific and medical research foundations. The bulk of UK foundation activity involves making grants to partners, sometimes referred to as grantees, but around 8% of their charitable expenditure is devoted to their own programmes. ⁷ Support and governance costs of charitable spending are excluded, to make UK data more comparable with the available US data.
Definitions and typology	Charitable family foundations are a type of charitable foundation and have a centuries-old history, emerging within all the world's major cultures and regions. Generally they are independently governed institutions, with large private assets, often in the form of permanent endowments, which they use to promote public good. They are private, funded principally by the personal gift of a family business or family member(s), often with the donor or family members having a position on their board of directors. Their main, but not sole, activity in recent years includes making grants to charities, individuals and other public benefit institutions for which they provide sustainable and independent support.

⁶ Main data sources include the Charity Commission Register, England and Wales; *Top 3000 Charities*, CaritasData; *Charity Market Monitor*, CaritasData (2006, 2008, 2009 and 2010

editions); charities' own websites and reports; Foundation Center statistics. Detailed regulatory data on foundations is available in the US and UK, but the Office of the Scottish Charity Regulator (OSCR)

publishes less detail, and the Charity Commission for Northern Ireland was only established in 2009.

⁷ C Pharoah (2010) *Charity Market Monitor 2010* CaritasData, London.

2 UK family foundation giving 2008/09

This chapter presents updated annual figures and analysis of UK family foundation giving.⁸

2.1 Family foundation giving 2008/09

The largest 100 family foundations in the UK gave a total of £1.4 billion to charitable causes in 2008/09.

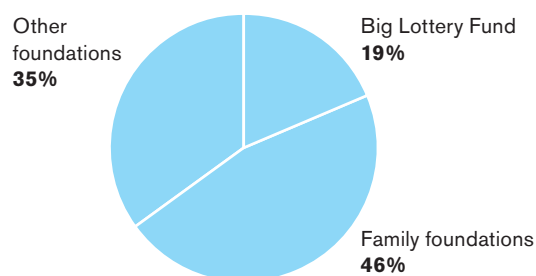
The top 5 by charitable expenditure were the Wellcome Trust (£681 million), the Gatsby Charitable Foundation (£50 million), the Leverhulme Trust (£45 million), the Wolfson Foundation (£39 million) and the Monument Trust (£35 million). The full table can be seen in section 2.9, page 20.

This represented a substantial share of all UK private charitable giving, which amounts to an estimated annual £15.4 billion.⁹ The contribution of family giving through foundations was:

- 9% of all private giving, whether through foundations, individual giving, legacies or companies (including tax reclaimed by charities);
- 46% of all giving through foundations.¹⁰

In spite of the economic turbulence, family foundation giving fell by just 0.2% in real terms, as foundations drew on reserves to maintain their spending.

Figure 1
Share of UK family
foundation giving
by foundation type



⁸ While every effort was made to achieve accurate data, two points to note are: a) a small amount of double-counting may have occurred where foundations fund other foundations in the table; and b) it was not always possible to

identify amounts given in any one year where the spending was to be spread over a number of years. It is not considered that these considerations affect the results in any material way.

⁹ C Pharoah (2010) *Charity Market Monitor 2010* CaritasData, London.

¹⁰ Figures for UK foundations as a whole are derived from estimates for the top 500 grant-making trusts in *Charity Market Monitor 2010*; these represent the vast majority of trust giving by value in the UK.

2.2 Trends in UK family foundation giving

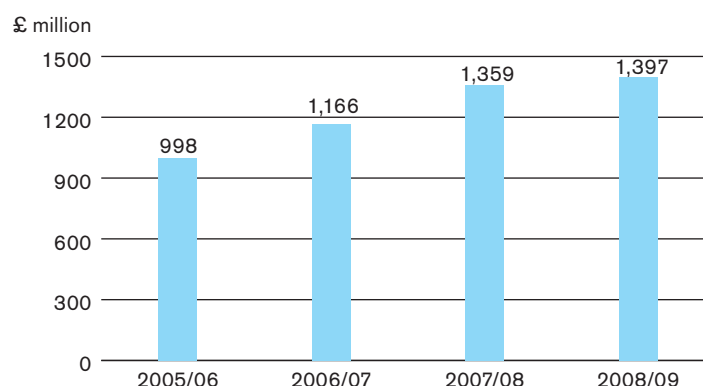
As this is the third annual report in the series on family giving through foundations, it has been possible for the first time to track the giving of the largest 100 givers from 2005/06 to 2008/09 and plot a trend-line.

Results show that between 2005/06 and 2008/09, the value of family foundation giving in this panel has grown steadily, from £998 million to £1.4 billion.

This means that, after adjusting for inflation, its value grew by a real 28% in total over the period.

Several trusts grew their charitable spending by considerably more than this over the period, including the Wellcome Trust, the Maurice Wohl Charitable Foundation, the Monument Trust, the Martin Smith Foundation and the Lewis Family Charitable Trust. The newcomer to the table was the Waterloo Trust,¹¹ which was only set up in December 2006 but came straight into the table in 42nd place in 2008/09, giving £4.8 million.

Figure 2
Four-year growth
in family foundation
giving (unadjusted)



2.3 Comparative annual growth rates in giving and GDP

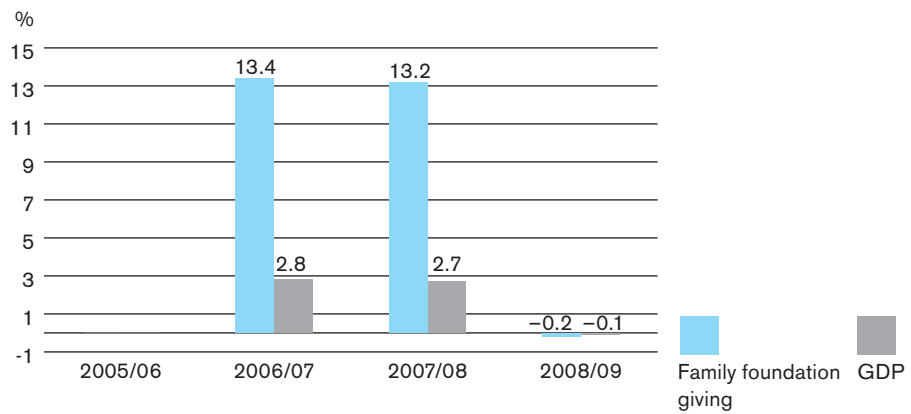
These results show that until the period of economic turbulence that began in the autumn of 2007, family foundation giving was growing substantially in value, and only showed a slight fall after adjusting for inflation when markets plunged in 2008/09.

It grew by a substantial 13.4% (in real terms) in 2006/07, followed by 13.2% the next year. It almost maintained its value in 2008/09, falling by just 0.2%.

Family foundation giving appears to have been particularly resilient throughout the recent times of economic uncertainty. Over the period shown, growth in its value outstripped that of the general economy (in Gross Domestic Product, GDP) substantially until 2008/09, when its growth fell by a similar amount as GDP (see Figure 3).

¹¹ As the Waterloo Trust did not enter the table until the final year of the period, a 'dummy' trust was included in the aggregate data for previous years to ensure that tables for each year had 100 entrants.

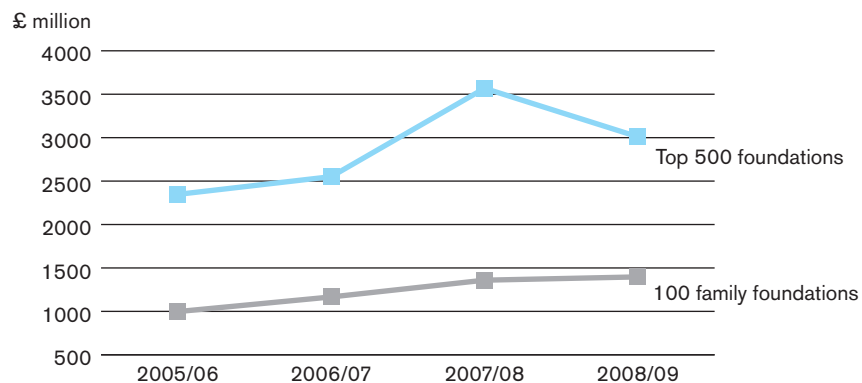
Figure 3
Annual real growth rate (%) in family foundation giving and GDP



2.4 Assets and resilience in giving

Giving among family foundations also grew faster and maintained its value better than that of charitable foundations generally. This is shown in the graph below, which compares trends in the annual value of family foundation giving with that of the largest 500 foundations (by giving) as a whole. Absolute family foundation giving grew faster in the early period, and maintained its value better in 2008/09.

Figure 4
Four-year trends in giving by family foundations and by top 500 foundations (unadjusted)

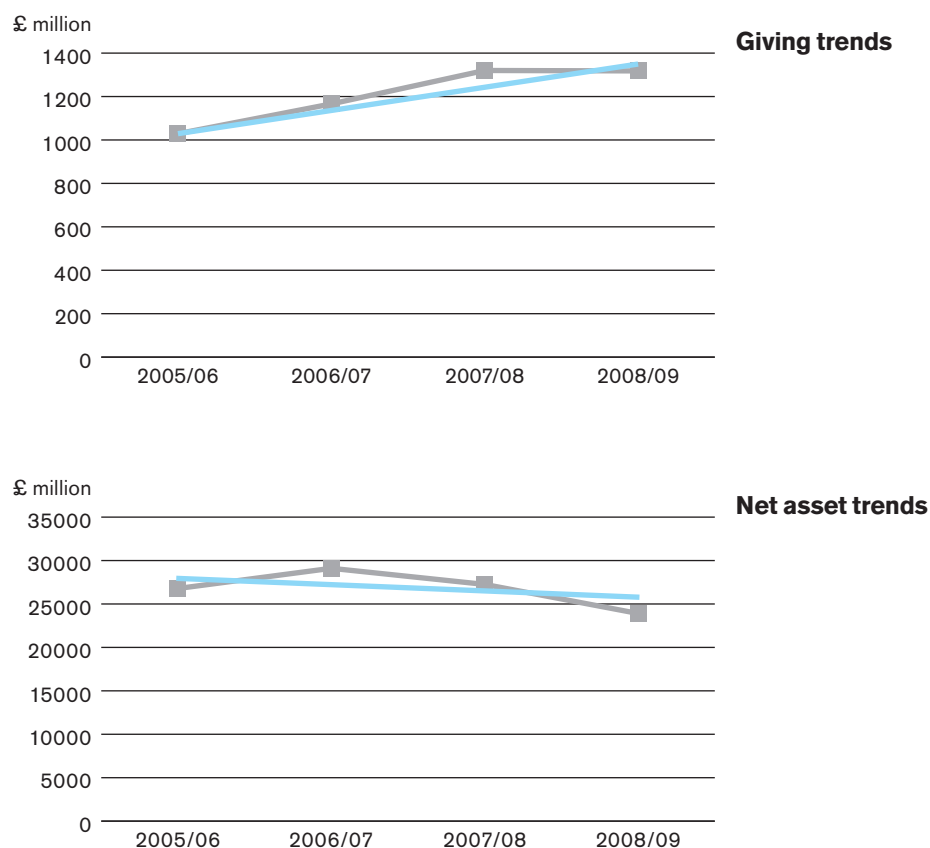


Assets

One explanation for the greater resilience of family foundations is that they hold a very large share of total charitable foundation assets. Figure 13 in the next section shows that they own almost three quarters, at 71%. In contrast, corporate and fundraising foundations tend to have fewer assets, and depend on annual funding donations. (Big Lottery Fund was excluded from the figures below.)

Family foundations may have been able to draw on these assets to maintain giving in a period of economic uncertainty. Their giving fell by just 0.2% in 2008/09, while the value of their assets fell by 12%. This is illustrated below.

Figure 5
Four-year trends
in giving and assets,
largest 100 family
foundations



2.5 Dominance of a few large family foundations

There is a heavy skew in UK family foundation giving towards a few very large organizations. The Wellcome Trust is in a class of its own, with charitable expenditure of around £681 million in 2008/09. This is 13 times the spending of its next nearest neighbours, the large Gatsby, Leverhulme and Wolfson trusts.

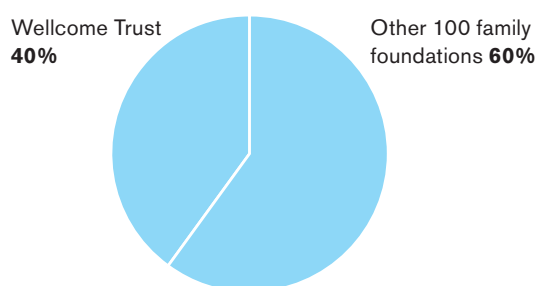
All of these trusts have a strongly scientific and academic orientation. The Wellcome Trust's contribution to national health and biomedical research and development spending is greater than that of the Medical Research Council, whose accounts in 2008/09 showed an expenditure of about £710 million, compared with consolidated expenditure of £800 million for Wellcome (including all forms of grants and operating activities).

Figure 6**Largest 10 family foundations 2008/09**

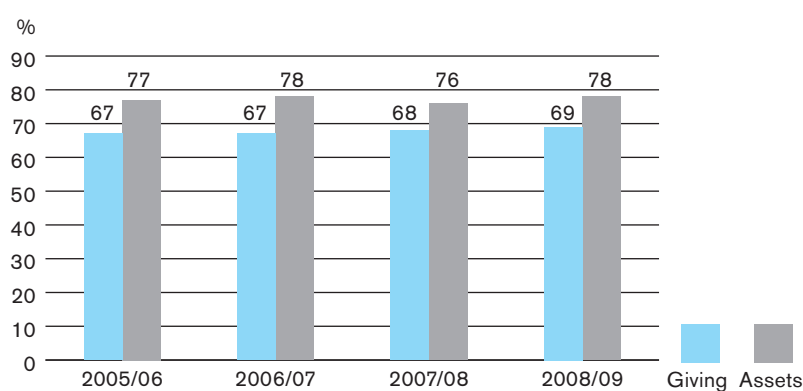
	<i>Name</i>	<i>Giving £ million</i>	<i>Net Assets £ million</i>	<i>Fiscal Year</i>
1	Wellcome Trust	680.6	11,949.0	Sep 09
2	The Gatsby Charitable Foundation	50.0	465.9	Apr 09
3	The Leverhulme Trust	45.1	1,256.1	Dec 08
4	The Wolfson Foundation	39.2	560.9	Apr 09
5	The Monument Trust	35.2	207.6	Apr 09
6	The Sigrid Rausing Trust	28.8	30.2	Dec 08
7	Garfield Weston Foundation	25.3	2,894.8	Apr 09
8	The Children's Investment Fund Foundation	23.1	1,440.2	Aug 09
9	Esmée Fairbairn Foundation	21.5	724.8	Dec 08
10	The Tudor Trust	16.8	204.8	Mar 09

Top 10 share increasing

The growth and trends in family foundation giving noted above did not depend on the dominant Wellcome Trust, which represents 40% of family foundation giving, and held when it was excluded from the data.

Figure 7**Share of giving, Wellcome and other family foundations**

Overall, however, the largest 10 family foundations appear to be slowly increasing their share of giving, which went up steadily from 67% in 2005/06 to 69% in 2008/09. (This trend also persists if Wellcome is excluded.) This finding has two implications. One is that at a time of economic uncertainty, the large trusts appear to be carrying an increasing burden for funding. The second is that grant-seekers may become increasingly dependent on a narrower set of funders; this might affect their diversity, and would merit further research.

Figure 8**Four-year trends in top 10 share (%) of giving and assets of the largest 100**

2.6 Family foundations operating internationally

The data in this report does not provide a full account of the total spending of family foundations in the UK. A number of family foundations not listed in the table – including the Calouste Gulbenkian Foundation (UK branch), the Oak Foundation, the Atlantic Philanthropies, the Ariane de Rothschild Foundation and the Adessium Foundation – have their headquarters or main office registered in other countries, but spend some of their resources in the UK.

2.7 Other family foundation resources

Some major family foundation giving is carried out through intermediary donor organizations, and data is not available to include them in the table. This means that, for example, the funding of Arcadia, the conservation trust set up by Lisbet Rausing and managed through the Charities Aid Foundation, is not included.

There are also many sizeable new and other family foundations whose giving was just below the lower end of the table of the largest 100 in 2008/09, but which make a significant philanthropic contribution in the UK. Some of these, such as the Rayne Foundation, have been featured in this report. If all trusts that give over £1 million per annum were included, this would add another £50 million or so to the total figure for family foundation giving. They include, for example, the Charles Hayward Foundation, the Lempriere Pringle Charitable Trust, the Porter Foundation, the Rayne Foundation, The True Colours Trust, the A M Qattan Foundation, the Vardy Foundation and the Ormiston Trust.

2.8 Can foundations provide ‘future-proof’ funding?

The family foundations table shows that while there are many new family foundations, the funding capacity of major family foundations today is still in large part due to the generosity of past family donors, and the assets which have been inherited and grown.

Research elsewhere suggests that, albeit with some fluctuations, there has been a generally upward trend in the real value of charitable endowment assets over the last decade, until they were hit by the recent economic turbulence.¹² The conflicting trends are prompting some divergent thinking about foundation endowments. On the one hand it has encouraged more foundations to think about spending out their funds (see for example, *Spend-Out Trusts and Foundations in the UK*, Institute of Philanthropy); on the other it has led policymakers to look at the scope for new endowments to ensure there is a funding base for the future.¹³ Some major family foundations, such as the Atlantic Philanthropies, have decided to spend out their resources during their founder’s lifetime.

¹² C Pharoah (2010) ‘Now and forever ...’ *Caritas*, issue 34, September 2010. London.

¹³ DCMS (2010) *Strategic Reform Plan* DCMS, London.

2.9 Table of the largest 100 UK family foundations (by giving) 2005/06–2008/09

Name	2008/09 (or most recent)				2007/08 (or previous)	
	Rank	Charitable Exp £m	Net Assets £m	Fiscal year end	Rank	Charitable Exp £m
Wellcome Trust	1	680.6	11,949.0	Sep 09	1	657.8
The Gatsby Charitable Foundation	2	50.0	465.9	Apr 09	7	30.8
The Leverhulme Trust	3	45.1	1,256.1	Dec 08	3	40.4
The Wolfson Foundation	4	39.2	560.9	Apr 09	4	33.8
The Monument Trust	5	35.2	207.6	Apr 09	12	16.3
The Sigrid Rausing Trust	6	28.8	30.2	Dec 08	11	17.0
Garfield Weston Foundation	7	25.3	2,894.8	Apr 09	2	51.7
The Children's Investment Fund Foundation	8	23.1	1,440.2	Aug 09	5	33.5
Esmée Fairbairn Foundation	9	21.5	724.8	Dec 08	8	23.3
The Tudor Trust	10	16.8	204.8	Mar 09	10	19.7
The Jack Petchey Foundation	11	15.7	-2.4	Dec 08	16	12.4
The Atlantic Charitable Trust	12	14.8	58.7	Dec 08	15	12.6
Paul Hamlyn Foundation	13	13.4	466.3	Mar 09	13	14.5
Christian Vision	14	13.2	187.5	Dec 08	14	13.3
De Haan Charitable Trust	15	11.5	45.8	Apr 09	18	10.5
Khodorkovsky Foundation	16	10.6	289.4	Dec 08	26	6.8
The Maurice and Vivienne Wohl Philanthropic Foundation	17	10.3	56.1	Apr 09	36	5.3
The Robertson Trust	18	9.6	340.4	Apr 09	21	8.1
Nuffield Foundation	19	9.5	191.8	Dec 08	19	9.9
Mayfair Charities Ltd	20	8.6	51.0	Mar 09	22	7.8
The Prince's Charities Foundation	21	7.9	2.5	Mar 09	9	22.8
The Rank Foundation Limited	22	7.4	189.5	Dec 08	30	6.1
Maurice Wohl Charitable Foundation	23	7.2	72.0	Apr 09	20	9.8
The Peter Moores Charitable Trust	24	6.9	45.4	Apr 09	32	5.8
Keren Association Limited	25	6.8	15.1	Mar 09	27	6.5
The Pears Family Charitable Foundation	26	6.5	15.1	Mar 09	31	6.1
The Lancaster-Taylor Charitable Trust	27	6.0	9.5	Mar 09	60	3.0
The Joseph Rowntree Charitable Trust	28	6.0	117.0	Dec 08	41	4.6
The Hunter Foundation	29	5.9	3.4	Mar 09	17	11.9
The Eranda Foundation	30	5.7	87.0	Apr 08	79	2.3
The Linbury Trust	31	5.5	159.4	Apr 08	51	3.9
The Rufford Maurice Laing Foundation	32	5.3	60.8	Apr 09	6	31.5
The Rhodes Trust	33	5.2	103.7	Jun 09	37	5.3
Stewards Company Ltd	34	5.2	104.5	Jun 09	29	6.1
Edward James Foundation Limited	35	5.2	50.2	Sep 09	39	4.9
Lewis Family Charitable Trust	36	5.1	4.4	May 09	96	1.4
The Bowland Charitable Trust	37	5.1	10.0	Dec 08	88	2.0
The Foyle Foundation	38	5.0	73.0	Jun 09	34	5.6
Kay Kendall Leukaemia Fund	39	5.0	36.2	Apr 09	87	2.0
The Henry Moore Foundation	40	5.0	81.0	Mar 09	38	4.9
Peter Harrison Foundation	41	4.9	30.2	May 09	69	2.6
The Waterloo Foundation	42	4.8	95.1	Dec 08	92	1.6
The Clore Duffield Foundation	43	4.7	76.8	Dec 08	40	4.8
The Helen Hamlyn Trust	44	4.7	4.3	Mar 09	58	3.1
The Thomas Baily Thomas Charitable Fund	45	4.7	72.0	Sep 09	48	4.1
The 29th May 1961 Charitable Trust	46	4.6	82.7	Apr 09	53	3.7
Cosmon (Belz) Limited	47	4.5	0.8	Mar 09	28	6.3
The Charles Wolfson Charitable Trust	48	4.4	127.3	Apr 09	25	7.1
The Hintze Family Charitable Foundation	49	4.4	1.5	Dec 08	70	2.5
The John Ellerman Foundation	50	4.3	92.9	Mar 09	43	4.4

Net Assets £m	Fiscal year end	2006/07 (or previous)				2005/06 (or previous)			
		Rank	Charitable Exp £m	Net Assets £m	Fiscal year end	Rank	Charitable Exp £m	Net Assets £m	Fiscal year end
12,031.7	Sep 08	1	472.7	14,364.8	Sep 07	1	444.2	12,683.1	Sep 06
464.7	Apr 08	2	117.2	380.4	Apr 07	2	53.8	386.6	Apr 06
1,532.4	Dec 07	3	41.8	1,205.1	Dec 06	6	29.6	1,079.8	Dec 05
638.5	Apr 08	5	35.5	678.0	Apr 07	3	38.0	668.4	Apr 06
215.1	Apr 08	66	2.5	131.8	Apr 07	46	3.4	118.1	Apr 06
60.3	Dec 07	13	14.5	70.1	Dec 06	10	12.8	80.4	Dec 05
3,720.6	Apr 08	4	39.5	3,688.3	Apr 07	4	37.8	3,511.4	Apr 06
1,555.1	Aug 08	14	10.2	801.7	Aug 07	27	5.1	362.5	Aug 06
937.8	Dec 07	6	27.3	916.9	Dec 06	5	29.6	825.6	Dec 05
273.2	Mar 08	9	17.2	307.1	Mar 07	8	17.5	295.7	Mar 06
5.1	Dec 07	16	8.4	8.6	Dec 06	20	5.9	3.1	Dec 05
66.1	Dec 07	11	16.0	62.1	Dec 06	14	7.0	73.1	Dec 05
513.5	Mar 08	12	19.1	548.5	Mar 07	11	12.8	502.2	Mar 06
200.3	Dec 07	8	15.9	187.0	Dec 06	9	9.5	32.6	Dec 05
58.3	Apr 08	20	7.0	63.5	Apr 07	59	2.7	66.7	Apr 06
317.2	Dec 07	44	4.1	298.7	Dec 06	45	3.4	313.0	Dec 05
48.8	Apr 08	99	0.0	4.5	Apr 07	99	0.0	1.3	Apr 06
320.5	Apr 08	18	8.1	274.5	Apr 07	13	8.0	257.6	Apr 06
254.7	Dec 07	15	8.6	250.0	Dec 06	15	6.9	230.3	Dec 06
65.7	Mar 08	23	6.5	83.4	Mar 07	12	8.4	66.2	Mar 06
2.1	Mar 08	48	3.4	5.6	Mar 07	48	3.2	5.2	Mar 06
243.7	Dec 07	37	4.9	241.8	Dec 06	16	6.8	221.0	Dec 05
63.8	Apr 08	98	0.1	17.7	Apr 07	96	0.2	17.8	Apr 06
55.4	Apr 08	7	19.7	59.0	Apr 07	7	26.4	74.9	Apr 06
19.3	Mar 08	33	5.5	17.8	Mar 07	31	4.9	17.3	Mar 06
13.9	Mar 08	42	4.4	13.4	Mar 07	53	3.1	11.6	Mar 06
12.0	Mar 08	50	3.3	9.2	Mar 07	19	6.0	10.5	Mar 06
191.1	Dec 07	24	6.4	193.7	Dec 06	32	4.9	169.8	Dec 05
1.1	Mar 08	19	8.0	0.2	Mar 07	35	4.7	0.9	Mar 06
67.8	Apr 07	64	2.7	59.3	Apr 06	77	1.8	51.5	Apr 05
219.9	Apr 07	26	6.0	153.7	Apr 06	34	4.7	139.2	Apr 05
64.8	Apr 08	29	5.9	93.1	Apr 07	41	4.0	96.1	Apr 06
141.4	Jun 08	40	4.5	155.3	Jun 07	25	5.2	143.6	Jun 06
121.1	Jun 08	32	5.6	131.8	Jun 07	33	4.7	122.7	Jun 06
49.7	Sep 08	38	4.7	51.9	Sep 07	37	4.5	50.0	Sep 06
7.9	May 08	85	1.8	6.2	May 07	95	0.4	5.4	May 06
13.7	Dec 07	10	17.2	8.0	Dec 06	87	1.3	23.8	Dec 05
68.5	Jun 08	28	5.9	81.4	Jun 07	30	5.0	77.0	Jun 06
50.1	Apr 08	70	2.3	57.6	Apr 07	80	1.7	50.6	Apr 06
101.0	Mar 08	35	5.4	108.0	Mar 07	38	4.4	106.9	Mar 06
30.3	May 08	84	1.8	30.7	May 07	39	4.3	30.8	May 06
107.3	Dec 07								
83.3	Dec 07	27	6.0	68.8	Dec 06	40	4.0	68.3	Dec 05
5.9	Mar 08	91	1.2	5.0	Mar 07	71	2.1	3.7	Mar 06
71.0	Sep 08	39	4.6	87.8	Sep 07	47	3.3	82.7	Sep 06
82.7	Apr 08	45	4.0	113.0	Apr 07	51	3.1	106.2	Apr 06
0.7	Mar 08	21	7.0	0.8	Mar 07	21	5.8	0.4	Mar 06
152.9	Apr 08	25	6.3	160.2	Apr 07	18	6.1	144.8	Mar 06
2.0	Dec 07	90	1.3	1.2	Dec 06	29	5.1	1.2	Dec 06
110.2	Mar 08	43	4.3	116.5	Mar 07	43	3.7	112.9	Mar 06

Name	2008/09 (or most recent)				2007/08 (or previous)	
	Rank	Charitable Exp £m	Net Assets £m	Fiscal year end	Rank	Charitable Exp £m
The Gannochy Trust	51	4.2	107.1	May 09	33	5.8
The Gertner Charitable Trust	52	4.1	5.8	Mar 09	23	7.7
The Rothschild Foundation (Europe)	53	4.0	60.2	Dec 08	52	3.9
The Tubney Charitable Trust	54	3.9	28.0	Mar 09	24	7.4
The Sutton Trust	55	3.9	1.4	Dec 08	81	2.2
The Parthenon Trust	56	3.9	0.3	Dec 08	50	4.0
The Smith Martin Smith Foundation	57	3.8	0.2	Apr 09	97	1.1
The Alan Howard Charitable Trust	58	3.8	3.0	Apr 09	94	1.6
The Allan and Nesta Ferguson Charitable Trust	59	3.8	23.3	Dec 08	55	3.5
Volant Charitable Trust	60	3.7	38.4	Apr 09	42	4.5
The Hobson Charity Limited	61	3.7	0.1	Mar 09	49	4.1
A W Charitable Trust	62	3.6	61.7	Jun 09	47	4.1
Joseph Rowntree Foundation	63	3.5	201.7	Dec 08	35	5.4
The Dulverton Trust	64	3.4	58.5	Mar 09	65	2.9
The Ernest Cook Trust	65	3.3	75.8	Mar 09	56	3.3
The Raphael Freshwater Memorial Association Ltd	66	3.2	58.9	Mar 09	85	2.1
M & R Gross Charities Limited	67	3.2	0.0	Mar 09	57	3.1
Rachel Charitable Trust	68	3.2	11.4	Jun 08	63	2.9
The Dyna & Fala Weinstock Charitable Trust	69	3.1	8.9	Apr 08	98	1.1
The Barrow Cadbury Trust	70	3.1	59.6	Jul 09	76	2.4
The Sir Jules Thorn Charitable Trust	71	3.1	79.9	Dec 08	74	2.4
The Dunhill Medical Trust	72	3.1	74.6	Mar 09	59	3.1
Shlomo Memorial Fund Limited	73	3.1	35.2	Sep 08	66	2.8
The Buttle Trust	74	3.1	34.2	Mar 09	61	3.0
J Paul Getty Jnr General Charitable Trust	75	3.0	44.4	Dec 08	71	2.5
The Wates Foundation	76	3.0	20.1	Mar 09	64	2.9
P F Charitable Trust	77	2.9	80.2	Mar 09	68	2.7
The Headley Trust	78	2.9	61.5	Dec 08	44	4.4
The Peter De Haan Charitable Trust	79	2.9	16.3	Apr 09	91	1.9
The Gosling Foundation Limited	80	2.8	17.6	Mar 09	89	1.9
The David & Elaine Potter Charitable Foundation	81	2.8	22.1	Dec 08	100	0.2
The Childwick Trust	82	2.6	57.7	Apr 09	62	3.0
Clydpride Limited	83	2.6	11.7	Dec 08	95	1.5
Samuel Sebba Charitable Trust	84	2.6	41.8	Apr 09	75	2.4
Four Acre Trust	85	2.5	6.3	Mar 09	77	2.3
Bernard Sunley Charitable Foundation	86	2.5	58.5	Mar 09	84	2.2
The Michael Uren Foundation	87	2.5	40.6	Apr 09	82	2.2
The Sobell Foundation	88	2.4	49.1	Apr 09	45	4.2
David & Frederick Barclay Foundation	89	2.3	0.0	Dec 08	99	0.3
Eveson Charitable Trust	90	2.3	50.8	Mar 09	72	2.5
Jerusalem Trust	91	2.3	67.1	Dec 08	90	1.9
The Pilgrim Trust	92	2.3	47.5	Dec 08	54	3.6
The Carnegie UK Trust	93	2.3	28.8	Dec 08	73	2.4
Samworth Foundation	94	2.3	4.1	Apr 09	67	2.7
The Botnar [Camelia] Foundation	95	2.2	62.3	Dec 08	83	2.2
The Joseph Rank Trust	96	2.2	61.9	Dec 08	80	2.3
The Zochonis Charitable Trust	97	2.2	76.3	Apr 09	86	2.1
Hadley Trust	98	2.2	62.2	Mar 09	78	2.3
Lancaster Foundation	99	2.2	50.5	Mar 09	46	4.2
The Maurice and Hilda Laing Charitable Trust	100	2.2	31.7	Dec 08	93	1.6

<i>Net Assets £m</i>	<i>Fiscal year end</i>	2006/07 (or previous)				2005/06 (or previous)			
		<i>Rank</i>	<i>Charitable Exp £m</i>	<i>Net Assets £m</i>	<i>Fiscal year end</i>	<i>Rank</i>	<i>Charitable Exp £m</i>	<i>Net Assets £m</i>	<i>Fiscal year end</i>
104.4	May 08	22	6.8	136.3	May 07	49	3.2	104.4	May 06
6.8	Mar 08	17	8.1	-2.7	Mar 06	22	5.6	2.3	Mar 05
72.2	Dec 07	47	3.5	68.2	Dec 06	63	2.2	67.2	Dec 05
29.4	Mar 08	31	5.6	36.1	Mar 07	36	4.6	37.5	Mar 06
0.8	Dec 07	88	1.3	1.6	Dec 06	81	1.7	1.2	Dec 05
1.6	Dec 07	34	5.5	0.4	Dec 06	17	6.4	0.2	Dec 05
3.2	Apr 08	97	0.2	0.2	Apr 07	97	0.2	0.1	Apr 06
0.0	Apr 08	80	2.0	-0.1	Apr 07	98	0.2	1.1	Apr 06
39.5	Dec 07	30	5.7	46.9	Dec 06	23	5.4	42.2	Dec 05
49.0	Apr 08	67	2.5	41.1	Apr 07	28	5.1	33.2	Mar 06
0.6	Mar 08	46	3.7	0.8	Mar 07	44	3.6	0.1	Mar 06
54.5	Jun 08	75	2.2	49.0	Jun 07	55	3.1	45.6	Jun 06
269.8	Dec 07	36	5.4	265.3	Dec 06	26	5.2	243.1	Dec 05
79.7	Mar 08	57	3.0	86.6	Mar 07	42	3.9	83.5	Mar 06
82.2	Mar 08	63	2.7	82.8	Mar 07	58	2.8	67.1	Mar 06
38.5	Mar 08	51	3.2	47.8	Mar 07	86	1.4	41.0	Mar 06
26.0	Mar 08	53	3.2	24.8	Mar 07	24	5.3	23.5	Mar 06
8.6	Jun 07	73	2.2	10.5	Jun 06	69	2.1	5.1	Jun 05
10.0	Apr 07	96	0.6	9.8	Apr 06	91	1.1	7.8	Apr 05
80.2	Jul 08	87	1.4	83.2	Jul 07	56	3.0	77.8	Jul 06
107.6	Dec 07	68	2.4	101.3	Dec 06	68	2.1	92.8	Dec 05
86.1	Mar 08	52	3.2	89.6	Mar 07	57	2.9	87.8	Mar 06
41.5	Sep 07	61	2.8	38.4	Sep 06	72	2.1	32.7	Sep 05
45.5	Mar 08	62	2.8	48.3	Mar 07	66	2.2	45.9	Mar 06
57.2	Dec 07	86	1.8	54.8	Dec 06	70	2.1	50.1	Dec 05
32.3	Apr 08	69	2.4	35.3	Apr 07	75	2.0	36.9	Apr 06
100.0	Mar 08	41	4.5	101.4	Mar 07	50	3.2	101.2	Mar 06
78.9	Dec 07	54	3.2	76.8	Dec 06	65	2.2	67.8	Dec 05
23.3	Apr 08	65	2.6	24.5	Apr 07	78	1.7	26.4	Apr 06
92.4	Mar 08	56	3.1	94.6	Mar 07	52	3.1	90.8	Mar 06
18.2	Dec 07	92	1.1	16.4	Dec 06	93	0.7	17.6	Dec 05
68.9	Apr 08	58	2.9	73.6	Apr 07	61	2.4	70.2	Apr 06
11.0	Dec 07	93	1.0	9.7	Jun 06	62	2.3	7.4	Jun 05
56.3	Apr 08	55	3.1	54.9	Apr 07	83	1.6	50.5	Apr 06
9.7	Mar 08	78	2.2	2.2	Mar 07	89	1.1	12.2	Mar 06
76.0	Mar 08	81	1.9	84.6	Mar 07	82	1.6	77.9	Mar 06
56.3	Apr 08	95	0.6	65.0	Apr 07	92	1.0	11.3	Apr 06
59.4	Apr 08	59	2.8	63.7	Apr 07	54	3.1	59.0	Apr 06
0.2	Dec 07	94	0.9	0.5	Dec 06	90	1.1	0.5	Dec 05
71.8	Mar 08	76	2.2	74.1	Apr 07	64	2.2	71.2	Apr 06
85.3	Dec 07	79	2.0	80.5	Dec 06	67	2.2	70.0	Dec 05
61.9	Dec 07	82	1.9	60.7	Dec 06	84	1.6	56.4	Dec 05
41.0	Dec 07	72	2.2	44.1	Dec 06	85	1.5	38.4	Dec 05
5.1	Apr 08	89	1.3	3.9	Apr 07	94	0.6	3.9	Apr 06
67.2	Dec 07	49	3.3	65.0	Dec 06	74	2.0	64.5	Dec 05
78.1	Dec 07	74	2.2	78.6	Dec 06	76	1.8	71.8	Dec 05
92.3	Apr 08	83	1.9	87.4	Apr 07	79	1.7	71.0	Apr 06
69.4	Mar 08	77	2.2	69.2	Mar 07	73	2.0	64.4	Mar 06
50.7	Mar 08	60	2.8	53.4	Mar 07	60	2.6	53.0	Mar 06
35.4	Dec 07	71	2.3	36.6	Dec 06	88	1.3	36.6	Dec 05

3

UK and US comparison: family foundation giving 2008/09

This chapter presents updated annual figures for US giving, and compares results with those for the UK.

3.1 Comparing the UK with the US

In order to establish whether UK trends in family foundation giving are unique or part of a more general pattern, this chapter provides some comparison between UK and US family giving through foundations.

Data was drawn from figures for 2008/09 specially supplied by the Foundation Center, and from the very comprehensive reports and analyses of all types of foundation giving published by the Foundation Center itself.

The US has seen the emergence of a very thriving family foundation sector over the last two decades. There are approximately 38,000 family foundations in the US,¹⁴ and around a third of those were created after 2000. There are no figures for the total number of family foundations in the UK, but estimates indicate there are probably around 10,000 general foundations altogether.¹⁵

3.2 Level and share of giving in the US

The amount given in 2008/09 by the largest 100 US family foundations (by giving) was around three times the UK level, at \$8.2 billion.

In spite of this contrast, the largest 100 family foundations represent a smaller share of all giving in the US than in the UK. US family foundations represent:

- 19% of all foundation giving, compared with 46% in the UK (the main reason for this difference is the higher contribution of corporate foundations in the US);
- 3% of all private giving, compared with 9% in the UK.

However, when all US family foundations are taken into consideration, their giving represents around 7% of all private giving.

These results show how UK philanthropy depends more heavily on the contribution of a small population of the largest family foundations than US philanthropy: in the US the

¹⁴ Foundation Center (2010), <http://foundationcenter.org/findfunders/statistics>

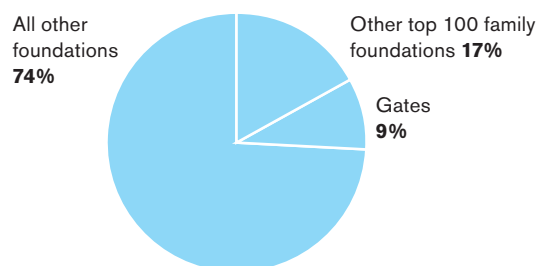
¹⁵ Although it is possible to get figures from the Charity Commission Register on the number of charities who make grants as part of their operating

activity, there are no figures for the number of UK foundations whose principal activity is grantmaking. Using figures first compiled in *Charity Trends 1997*, compiled

by Cathy Pharoah and published by CAF, it is estimated that there are approximately 10,000 such foundations today. No more recent surveys are available.

burden of supporting charitable activities appears more evenly shared by smaller family foundations, other independent and corporate foundations.

Figure 9
Share of all US
foundation giving
by foundation type



3.3 Trends in US family foundation giving

In spite of differences of scale between the US and the UK family foundation giving, there are similarities in the pattern of recent trends.

2006/07

As in the UK, there was a very large growth in family foundation giving between 2005/06 and 2006/07. In both countries this was due to the boom in the markets before the 2007 crash.

2007/08

Data on the largest 100 foundations for 2007/08 is not included in the study, but the Foundation Center has reported that US family foundation giving in general continued to grow in 2008, at about 10% in real terms. The largest 100 in the UK grew by 13%.

It has been noted that general family foundation growth far surpassed the rate for all US foundations in that year.¹⁶

A reason for this continuing 2008 growth might be that strong giving in one year in the US generally reflects the strength of the markets of the previous year, and the value of 5% of assets in that previous year.¹⁷ Similarly in the UK there is a time-lag between changes in investment income and charitable spending.

2008/09

Figures are not available yet that can show exactly what happened to the largest 100 US family foundations in 2008/09, as many of the accounts in the table cover only part of this year. However, a drop of 8.4% (unadjusted) in general foundation giving was reported,¹⁸ and it is likely that family foundations will also have seen something of a fall. Several foundations had to close their funding programmes in this year because of investment losses resulting from the Bernard Madoff fraud.

This drop in all US foundation giving in 2008/09 echoed a drop experienced by foundations in the UK¹⁹ (8.4% and 1.2 % respectively, unadjusted).

¹⁶ Foundation Center (2010), <http://foundationcenter.org/findfunders/statistics>

¹⁷ J McLeod (2008) *Recession Giving: US v Australia F&P*. [http://](http://ozco.sendemail.com.au/download/files/10465/573158/John+McLeod_+Recession+giving+US+vs+Australia.pdf)

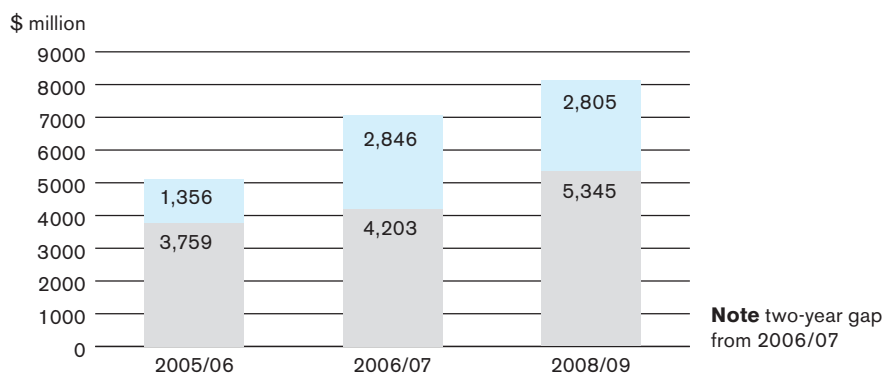
[files/10465/573158/John+McLeod_+Recession+giving+US+vs+Australia.pdf](http://foundationcenter.org/findfunders/statistics)

¹⁸ Foundation Center (2010), <http://foundationcenter.org/findfunders/statistics>

¹⁹ This result excluded the Big Lottery Fund, whose spending patterns had been distorted by an unusually high level of dispersion the previous year, creating what looked like an exponential fall.

(Cathy Pharoah (2010) *Charity Market Monitor 2010* CaritasData, London.)

Figure 10
Trends in giving of
Gates and of other
top 100 family
foundations



3.4 Impact of Gates on the data

As in UK foundation figures, one trust – in this case the Bill & Melinda Gates Foundation – has a disproportionate effect.

Gates accounts for over a third of the giving of the largest 100 family foundations. Its giving more than doubled between 2005/06 and 2006/07, as it absorbed the huge additional assets donated by Warren Buffett, and this fuelled the rise recorded above in US family foundation giving that year.

Giving by the Gates Foundation levelled off in 2008, while other family foundation giving continued to grow. Gates increased its giving again in 2009, mitigating some of the loss experienced from other foundations,²⁰ and its wealth is set to have a major impact in years to come. It reports that:

‘For the next couple of years, we’ll continue on a steep climb to ramp up our grantmaking. Beginning in 2009 and continuing through the next decade, the payout target will be more than \$3 billion per year, tightly focused on our major areas of investment – including global health, global development, and improving access to a great education and to technology in public libraries here in the United States.’²¹

3.5 Comparison of four-year trends in UK and US

In both the UK and the US there was markedly higher real growth in the giving of family foundations over the four-year study period than in other foundations. In the UK, real family foundation giving growth was 28%, compared with 15% for all foundations.

In both countries, family foundations’ share of all foundation giving increased over the period, by 4% in the UK and 6% in the US.

²⁰ Foundation Center (2010), <http://foundationcenter.org/findfunders/statistics>

²¹ Bill & Melinda Gates Foundation, www.gatesfoundation.org/about/Pages/implementing-warren-buffetts-gift.aspx. Gates extended its presence in Europe with the opening of a European office in London in August 2009.

Figure 11 Four-year comparative trends in giving, largest 100 UK and US family foundations, 2005/2006 to 2008/09

<i>Giving</i>	<i>UK £ million</i>			<i>US \$ million</i>		
	<i>2005/06</i>	<i>2008/09</i>	<i>real change</i>	<i>2005/06</i>	<i>2008/09</i>	<i>real change</i>
Largest 100 family foundations	998	1,397	28%	5,115	8,150	47%
All foundations	2,371*	3,010	15%	39,000	42,900	1.2%
Family foundations as % of all	42%	46%		13%	19%	

*Estimated

3.6 Giving as a share of Gross Domestic Product

This growth in family foundation giving appears to be reflected in its value as a percentage of GDP in both the UK and US.²²

In the UK it went up to 0.1%, from 0.09% in one year. In the US, it went up from 0.05 to 0.06% over two years.

Figure 12
Giving as a proportion (%) of GDP

	<i>UK £ billion</i>	<i>US \$ billion</i>
Total giving, 100 largest family foundations	1.4	8.2
GDP	1,395.0	14,256.0
Giving, 100 largest family foundations, as % GDP	0.1%	0.06%

3.7 Comparison of trends in UK and US family foundation assets

The largest 100 US family foundations have twice the assets of those in the UK. In both countries, however, the value of assets among this group appeared to take a much bigger knock over the four-year period than those of other foundations. These figures may partly reflect the fact that family foundations in both countries rely more heavily than other foundations on invested endowments for their income.

In the UK the dependence is heavier than in the US. UK family foundation assets represented 78% of all foundation assets, compared with 15% in the US.

The findings suggest that family foundations in both countries were more able or willing to draw on their resources to maintain stability in their giving. While in both countries asset values were markedly down at the end of the four-year period (Figure 13), giving showed an overall growth (Figure 11).

²² GDP data from International Monetary Fund (2010) *World Economic Outlook Database*, April 2010.

Figure 13 Four-year comparative trends in assets, largest 100 UK and US family foundations, 2005/2006 to 2008/09

<i>Assets</i>	<i>UK £ billion</i>			<i>US \$ billion</i>		
	<i>2005/06</i>	<i>2008/09</i>	<i>real change</i>	<i>2005/06</i>	<i>2008/09</i>	<i>real change</i>
Largest 100 family foundations	26.0	25.3	–11%	94.1	87.3	–15%
All foundations	33.5	35.5	–3%	614.7	583.4	–13%
Family foundations as % of all	78%	71%		15%	15%	

3.8 Strength in UK and US family foundation giving

Evidence from the US reinforces the message from the UK data that family foundation giving has been particularly resilient compared with other foundation giving.

- Both countries saw a huge growth in family foundation giving in the years before the recession, at levels that out-paced other types of foundation.
- In both countries, family foundation giving appears to have taken less of a knock from the period of economic turbulence than other foundation giving (although there are some qualifications about the US data, because of time lags).

However, in both countries, family foundation giving also gains much of its financial muscle from a few family foundations with large-scale resources. It would be valuable to do further research both on how far the very largest family foundations influence the styles of resource management and strategy in smaller foundations and on how foundations' partners and grantees understand the range of foundations of different type and size.

3.9 Family foundations in other European countries

There is a growing European interest in foundation philanthropy. For example, the European Foundation Centre has compiled data on foundations in 15 European countries, although varying definitions of foundation were used, and type of foundation is not identified.²³

However, this report has focused on comparing the UK with the US because of the availability of consistent regulatory financial data on foundation finances in these countries. Ideally the UK should also be benchmarked against other European countries, many of which have strong family foundation traditions. The lack of mandatory reporting requirements, however, means that obtaining and publishing relevant other European data is limited. Social democratic traditions have led to a stronger political emphasis on public redistribution of wealth, and some distrust of institutions such as private foundations. In the US, by contrast, there is a strong culture in which major philanthropy is expected, publicly acknowledged and celebrated. It also has the highest level of charitable tax reliefs.

²³ www.efc.be/NewsKnowledge/Documents/EFC-RTF_EU_Foundations-Facts and Figures_2008.pdf

Germany

A previous report in this series, carried out with European research partners, tried to provide a comparison of the largest 100 family foundations in the UK, Germany, Italy and the US.²⁴ Considerably more information was available in Germany than in Italy. The giving of the largest 100 German family foundations was estimated at €725 million for 2008, equal to 42% of the UK figure.

Italy

It was estimated that the total giving of 90 family foundations in Italy was around €90 million, through they were not necessarily the largest.

Spain

A new study in Spain has identified 55 family foundations related to family business activities, the majority created by family members from one family, and not by the business.²⁵ It was not possible to collect financial data but the researchers concluded that, unusually for Spain, family foundations generally had an international outlook, and were committed to entrepreneurship and collective action.

Switzerland

The Association of Swiss Grantmaking Foundations has estimated that there are 11,000 grantmaking foundations in Switzerland, but does not have data for different kinds of foundations. However, estimates of their finances suggest that it may be rich in relation to other countries. For example, foundations are said to distribute CHF 2 billion annually, corresponding to approximately 2% of the Swiss federal budget. This is a much higher contribution than that of foundations in the UK. It is possible that Switzerland has a large family foundation sector. Some of the Swiss family foundations operate in more than one country.²⁶

²⁴ C Pharoah (2009) *Family Foundation Philanthropy 2009* Alliance Publishing Trust, London.

²⁵ M Rey, N Puig (2010) *Understanding the organized philanthropic activity of entrepreneurial families* Business History Conference 2010, Spain.

²⁶ Statistics from Association of Swiss Foundations (2010), www.swissfoundations.ch/en/aktuell/kennzahlen-stiftungsszene

3.10 Table of largest 100 US family foundations (by giving), 2008/09

	<i>Foundation</i>	<i>Total Giving \$*</i>	<i>Assets \$</i>	<i>Fiscal Date</i>
1	Bill & Melinda Gates Foundation	2,805,251,969	29,889,702,125	Dec 08
2	The Susan Thompson Buffett Foundation	347,911,661	2,517,560,936	Dec 08
3	The David and Lucile Packard Foundation	301,963,944	4,650,858,492	Dec 08
4	Lilly Endowment Inc.	281,129,330	5,149,544,355	Dec 09
5	Gordon and Betty Moore Foundation	261,740,279	4,509,705,996	Dec 08
6	The T. Boone Pickens Foundation	176,692,885	8,748,656	Dec 08
7	Walton Family Foundation, Inc.	168,874,434	1,948,806,804	Dec 08
8	Dodge Jones Foundation	155,484,680	55,023,724	Dec 08
9	The Annenberg Foundation	152,835,474	1,602,260,949	Jun 09
10	Eli & Edythe Broad Foundation	116,505,375	1,348,976,378	Dec 08
11	The Michael and Susan Dell Foundation	108,955,421	945,717,769	Dec 08
12	Bernard Osher Foundation	100,256,114	166,066,198	Dec 08
13	The McKnight Foundation	99,863,056	1,582,041,028	Dec 08
14	The Simons Foundation	87,024,914	1,406,194,090	Jun 09
15	Conrad N. Hilton Foundation	80,100,000	1,975,092,463	Dec 09
16	Tosa Foundation	71,732,009	462,876,849	Dec 08
17	The Sherwood Foundation	71,362,887	170,371,461	Dec 08
18	Robertson Foundation	71,163,079	974,063,488	Nov 08
19	John Templeton Foundation	70,656,679	880,433,745	Dec 08
20	Richard and Rhoda Goldman Fund	70,032,067	304,026,259	Dec 08
21	The Heinz Endowments	65,000,095	1,205,528,000	Dec 08
22	The William Penn Foundation	62,974,512	1,076,817,288	Dec 08
23	Richard King Mellon Foundation	62,750,139	1,525,601,452	Dec 08
24	NoVo Foundation	56,011,250	208,726,090	Dec 08
25	Adelson Family Foundation	54,079,832	289,680	Dec 08
26	The Marcus Foundation, Inc.	51,320,037	170,034,465	Dec 08
27	Omidyar Network Fund, Inc.	50,452,358	242,464,334	Dec 08
28	Turner Global Foundation, Inc.	50,000,000	223,217,558	Dec 09
29	The Brown Foundation, Inc.	48,952,020	835,745,616	Jun 09
30	The Richard and Helen DeVos Foundation	48,940,490	76,843,962	Dec 08
31	The Marisla Foundation	48,145,500	74,599,885	Dec 08
32	The Ahmanson Foundation	47,554,783	774,169,095	Oct 08
33	W. M. Keck Foundation	45,883,052	1,066,000,000	Dec 09
34	The Robert W. Wilson Charitable Trust	45,832,155	94,988,101	Dec 08
35	Freeman Foundation	44,672,031	276,360,481	Dec 08
36	Howard G. Buffett Foundation	43,935,005	195,811,120	Dec 08
37	Barr Foundation	41,927,759	878,950,397	Dec 08
38	Evelyn and Walter Haas, Jr. Fund	41,876,804	430,229,650	Dec 08
39	The Bloomberg Family Foundation, Inc.	41,838,303	1,573,135,222	Dec 08
40	Knight Foundation	40,006,728	90,073,395	Dec 08
41	Surdna Foundation, Inc.	37,215,689	693,515,303	Jun 09
42	The Meadows Foundation, Inc.	36,245,880	656,291,249	Dec 08
43	Wayne & Gladys Valley Foundation	36,069,423	510,651,317	Sep 09
44	Leon Levy Foundation	35,700,492	479,268,021	Dec 08
45	The Batten Foundation	35,000,000	18,671,339	Jun 08
46	International Medical Outreach, Inc.	34,583,371	9,267,339	Dec 08
47	The Ellison Medical Foundation	32,633,253	0	Dec 07
48	Steven A. and Alexandra M. Cohen Foundation	32,516,083	156,208	Dec 08
49	The Carson Family Charitable Trust	32,286,023	24,363,729	Dec 08
50	The Grainger Foundation Inc.	32,167,365	17,228,081	Dec 09
51	Gilder Foundation, Inc.	31,376,150	68,481,462	Dec 08
52	The Moody Foundation	30,870,102	939,946,469	Dec 08
53	The J. E. and L. E. Mabee Foundation, Inc.	30,640,730	713,339,482	Aug 09

	<i>Foundation</i>	<i>Total Giving \$*</i>	<i>Assets \$</i>	<i>Fiscal Date</i>
54	Hess Foundation, Inc.	30,004,404	513,548,626	Nov 08
55	O'Donnell Foundation	28,974,596	145,317,385	Nov 08
56	Hansjoerg Wyss Foundation	28,962,043	146,075,760	Dec 08
57	Arnold and Mabel Beckman Foundation	28,908,930	450,605,808	Aug 09
58	George S. and Dolores Dore Eccles Foundation	28,850,992	370,281,312	Dec 08
59	The Lenfest Foundation, Inc.	28,850,510	62,696,228	Jun 08
60	The Skoll Foundation	28,266,149	428,857,913	Jun 09
61	The Manton Foundation	27,984,810	438,044,009	Dec 08
62	The Benificus Foundation	27,761,333	92,697,820	Sep 08
63	Arthur S. DeMoss Foundation	27,625,178	243,731,792	Dec 08
64	The Lillian Jean Kaplan Foundation, Inc.	26,845,150	31,865,076	Dec 08
65	The Edna McConnell Clark Foundation	26,843,700	765,627,575	Sep 09
66	McCune Foundation	26,650,253	416,601,190	Sep 08
67	The Oak Foundation U.S.A.	25,984,595	228,638,442	Dec 08
68	Druckenmiller Foundation	25,930,800	727,967,196	Nov 09
69	Polk Bros. Foundation, Inc.	25,376,341	344,546,963	Aug 09
70	Warren Alpert Foundation	25,195,500	2,241,666	Dec 09
71	The Lerner Foundation	24,974,269	42,074,966	Dec 08
72	Soros Charitable Foundation	24,400,000	62,658,684	Nov 08
73	Pritzker Foundation	24,354,500	284,703,712	Dec 08
74	The Tabasgo Foundation	24,137,490	36,839,496	Dec 08
75	The Nathan Cummings Foundation	24,072,680	375,651,305	Dec 08
76	The J. Willard and Alice S. Marriott Foundation	23,785,454	258,460,876	Dec 08
77	The Russell Berrie Foundation	23,695,444	198,324,010	Dec 08
78	S & G Foundation, Inc.	23,539,745	304,272,394	Jun 09
79	Smith Richardson Foundation, Inc.	23,529,235	386,903,890	Dec 08
80	The Roberts Foundation	23,126,954	52,786,458	Dec 08
81	The Paul G. Allen Family Foundation	22,690,068	920,574	Dec 08
82	Amon G. Carter Foundation	22,555,636	422,291,107	Dec 08
83	Howard Charitable Foundation	22,154,000	32,232,701	Dec 08
84	Gates Family Foundation	21,987,042	287,194,045	Dec 08
85	Irene Diamond Fund	21,736,994	127,407,219	Dec 08
86	The Rees-Jones Foundation	21,532,849	295,786,372	Dec 08
87	The Danforth Foundation	21,282,214	145,559,383	May 09
88	The Leonard and Evelyn Lauder Foundation	21,053,300	21,614,942	Dec 08
89	The Poplar Foundation	20,960,077	105,846,695	Dec 08
90	Hall Family Foundation	20,745,314	643,051,118	Dec 08
91	J. A. & Kathryn Albertson Foundation, Inc.	20,459,596	406,082,798	Dec 08
92	Oberkottter Foundation	20,060,166	124,998,148	Nov 08
93	Pleasant T. Rowland Foundation, Inc.	19,768,919	52,282,350	Dec 08
94	The Ford Family Foundation	19,754,071	564,161,114	Dec 08
95	William K. Bowes, Jr. Foundation	19,656,550	247,915,486	Dec 08
96	The Ezra Trust Foundation	19,573,082	691,133	Dec 08
97	Horace W. Goldsmith Foundation	19,307,000	354,280,535	Dec 09
98	Edward C. Johnson Fund	19,295,785	285,120,770	Dec 08
99	Z. Smith Reynolds Foundation, Inc.	19,203,947	22,731,945	Dec 08
100	Comer Science & Education Foundation	18,916,734	73,178,797	Dec 08

Source: The Foundation Center, 2008. Based on a subset of family foundations identified by the Foundation Center using subjective and objective criteria. These funders are included in independent foundation data.

*Includes grants, scholarships, and employee matching gifts; excludes set-asides, loans, PRIs, and program expenses

Copyright © 2008, The Foundation Center. All rights reserved. Permission to use, copy, and/or distribute this document in whole or

in part for internal, noncommercial purposes without fee is hereby granted provided that this notice and appropriate credit to the Foundation Center is included in all copies. All references to data contained in this document must also credit the Foundation

Center. No other reproduction, republishing, or dissemination in any manner or form is permitted without prior written consent from the Foundation Center. Requests for written consent should be submitted to the Foundation Center's Research Department.

4

Contribution of UK family foundation philanthropy

4.1 A 21st-century philanthropy?

Behind the numbers for family giving through foundations lies another story, that of their activities and contribution. How are family foundations responding to the major challenges of society today? It has been suggested that we are experiencing another golden age of philanthropy, and comparisons are sometimes drawn with the era of Victorian philanthropy. So what is the 'big picture' of 21st-century philanthropy that results from their £1.4 billion of giving?

This section of the report explores the model that family foundations give us today by describing in more detail some of the activities and issues they support. It does not aim to evaluate their priorities, activities or effectiveness, but to illustrate key aspects of their work, highlighting some important features, and to prompt further debate on their role and contribution.

4.2 Approach to profiling

The scale of activity is too great to be comprehensively captured here.

A profile is drawn up from a sample of 16 of the family foundations mentioned in this report. The sample contains larger and smaller foundations as well as older and more recent ones. We have put a particular focus on more recently established philanthropy.

Data sources for the material in the following sections include foundations' own annual reports and websites, and the *Sunday Times* Giving Index in 2008 and 2009.²⁷ References to any additional specific data sources are given individually.

There are two main components to the profiling.

- An analysis of the mission and contribution of family foundations, based on the sample.
- Brief profiles of the sample foundations and their founders.

Examples have been drawn from across the whole four years of the study period. Funding often spans several years. (Foundation names have been abbreviated for ease of reference in some places.)

4.3 Strong individual interests, collective diversity

Immediately apparent is that strong individual themes and interests across family foundations have led to a breadth and diversity of philanthropic activity. The range of areas addressed even within a small sample of foundations is illustrated below.

²⁷ *Sunday Times* (2008 and 2009) *The Giving Index* in 'The Sunday Times Rich List' Times Newspapers Ltd, London.

Figure 14
Examples of funding
activities among
family foundations

Advice	Environment	Identity and citizenship	Regeneration
Arts	Ex-offenders	International development	Research
Children	Exploring philanthropy	Local community	Science
Disaster relief	Faith	Minorities	Social cohesion
Education	Families	Multiple sclerosis	Social justice
Elderly	Health	Poverty	Special needs and autism
Employment	Heritage	Refugees	Youth
Entrepreneurialism			

This diversity arises in large from the very diversity of background and experience, professional and business activity, culture, religion and values of the families and individuals who establish foundations. For example:

- Christina Foyle's lifetime of bookselling and fostering literary interests has resulted in the Foyle Foundation's focus on arts, learning, libraries, schools and writing;
- J K Rowling's first-hand family experience of the impact of multiple sclerosis underlies the Volant Trust's support for MS research, including a recent £10 million grant for the Anne Rowling Regenerative Neurology Clinic in Edinburgh;
- Sir Peter Lampl's acknowledgement of the role of a good education in his own success underlies the Sutton Trust's drive to improve equality in educational opportunity;
- Sir Tom Hunter's entrepreneurial success led to an interest in how young people in deprived areas can access entrepreneurial skills to lead the way out of poverty.

While many look for special or defining qualities that major givers share, it is clear that philanthropy is often embedded in, and reflects, the most common of people's life experiences and challenges.

4.4 Responsiveness

The needs of a very wide range of communities, groups and individuals are addressed, showing family foundation philanthropy responding to highly specialized and difficult issues, as well as more general problems. For example:

- Waterloo Foundation's support for carers, and children suffering from mental health problems;
- Rayne Foundation's support for refugees, women in prison and bullied children;
- Hunter Foundation's support for young people not in education, employment or training;
- De Haan Foundation's funding for HIV and AIDS programmes in Africa;
- Petchey Foundation's support for young people's self-development through speaking, dance and out-of-school study;
- Volant Trust's support for disaster relief in Darfur;
- Sutton Trust's funding for parental advice and support;
- Helen Hamlyn Trust's support for work with young offenders.

4.5 Leadership and innovation

Some family foundations are particularly interested in developing more strategic approaches to tackling deep-rooted social needs and problems, and aim to lead or support innovation. A major example is the Joseph Rowntree Foundation, established in 1904 specifically to protect and take forward the great social reforms of its founder, a mission that continues to inspire its work today. The Wolfson and Nuffield Foundations also have long histories of investment in change through major support for UK scientific and biomedical research and development. In July this year, Wolfson awarded over £30 million in its joint programme with the Wellcome Trust to fund capital projects in the biomedical sciences.

Other recent examples include:

- the Clore Duffield Foundation's leadership programme, initially to strengthen management and leadership in cultural activities, and now extended to the voluntary sector;
- Hunter Foundation's work in developing entrepreneurial skills in young people in Scotland;
- Rayne Foundation's work in 'social bridge-building', such as intergenerational theatre workshops, and in improving the quality of life of older people through skills-building;
- Smith Foundation's creation of a new environmental think-tank, study and research resource;
- Sutton Trust's research and policy work in education;
- ClIFF's focused single-issue approach, the health of children in developing countries, to make a sustained, large-scale and measurable impact;
- Pears Foundation's interest in promoting deeper thinking about philanthropy through, for example, the Pears Business Schools Partnership;
- De Haan Foundation's major commitment to the regeneration of Folkestone's old town, with support for acquiring and refurbishing properties, and enabling low-cost long-leases for artists and creative industries;
- social investment by Esmée Fairbairn, Barrow Cadbury, Monument and Paul Hamlyn foundations in the new 'Social Impact Bonds', which aim to provide a return where efficiency and effectiveness in services provided by voluntary organizations bring savings to the public purse.

4.6 Global issues

Some newer UK foundations set up within the last decade or so have brought a strong focus on global issues, particularly in the areas of global public health and the environment. Ted Turner and then Bill Gates have led the way with focused investments scaled up to make a demonstrable improvement in national-level health indicators. Major UK investments include the following:

Health and development

- ClIFF's major support for the Global Alliance for Improved Nutrition and the Global AIDS Alliance;
- Sir Tom Hunter's major grants to Band Aid and Make Poverty History;
- Waterloo Foundation's contribution to world development issues, including for schools in Tanzania, microfinance in Malawi and sanitation in Kenya.

Environment and climate change

- Martin Smith's founding grant for the Smith School of Enterprise and the Environment at Oxford University;
- Rufford Maurice Laing Foundation's dedication of the majority of its funding to nature conservation in developing countries, for projects such as the Global Canopy Programme and Compassion in World Farming as well as the creation of the dedicated Rufford Small Grants Foundation for conservation and environment grants;
- ClIFF's funding for the European Climate Foundation;
- Lisbet Rausing's dedication of her trust Arcadia to 'protecting endangered treasures of culture and nature', awarding grants totalling \$192 million to such causes over the last decade.

4.7 Education

Education is seen by most family foundations as central to their wider mission and most support educational work of one kind or another. Some projects are mentioned above, and others include:

Universities and research

- Foyle Foundation's grants to King's College to create the Foyle Special Collections Library, and to Imperial College for the Foyle Science Scholarships;
- Helen Hamlyn Trust's funding for a research fellow in the Institute of International Humanitarian Affairs, Fordham University, NY;
- Paul Hamlyn Foundation's support for the Higher Education Student Retention scheme;
- Martin Smith's grant of £10 million to Oxford for the Smith School of Enterprise and the Environment;
- Hunter Foundation's establishment of the Hunter Centre for Entrepreneurship at Strathclyde University.

Schools and out-of-school

- Sutton Trust's support for the Independent-State School Partnerships and university summer schools;
- Petchey Foundation's extensive engagement in education and development projects for youth both in and outside school;
- Pears Foundation's support for the Schools Linking Network, with the Department of Education, promoting links between schools in England.

City academies

- Investment in at least 11 city academies by five of the trusts in the sample, including Petchey, Samworth, De Haan, Sutton and Christian Vision. Vardy, which would rank at about 117 in the family foundations list, has supported several more.

Special needs

- The support of the Shirley Foundation (not in the table) for research into the causes of autism;
- Pears National Centre for Autism Education at TreeHouse.

4.8 Arts and the major cultural institutions

Arts and culture are huge beneficiaries of the philanthropy of family foundations. Foundations such as Clore Duffield and Paul Hamlyn have played a leading role in the development of the UK's national cultural institutions. Support ranges from very substantial and visible awards to national cultural institutions to smaller grants for projects working through the arts to support the personal development of young people, increase opportunities and generate social change. Some examples include:

Major national and institutional awards

- Clore Duffield Foundation's major support for the Southbank Centre and the Royal Opera House;
- Paul Hamlyn Foundation's support to the Royal Opera House from the late 1980s to widen access through subsidized tickets, and a major £10 million gift in 2007;
- Martin Smith's support for ENO and Glyndebourne;
- De Haan Trust's support for the Marlowe Theatre and the Turner Gallery;
- Foyle Foundation's award to the Victoria and Albert Museum;
- Helen Hamlyn Trust's support for young composers through a London Symphony Orchestra project.

Local, community and other arts projects

- Rayne Foundation's support for creative music-making with women in prison;
- Clore Duffield Foundation's Jewish Development Fund for cultural, educational and community development projects outside London;
- Clore Duffield's support for Children's Art Day, run in partnership with the Mayor of London, and Arts Council England;
- Foyle Foundation's localized support for Battersea Arts Centre, Aldeburgh Music, Harrogate International Festival and Walton-on-Thames Community Arts Trust;
- Petchey Foundation's support for youth programmes at the Royal Academy of Dancing;
- Paul Hamlyn Foundation's grant to the Polka Children's Theatre for work with deaf children, and to music participation initiatives for young people in Derry.

4.9 Faith

Initiatives and issues related to faith are important in the work of some foundations, for example:

- Rayne Foundation's support for capacity-building among Muslim communities in Britain;
- Pears Foundation's support for the Shared Futures programme, run in partnership with the Three Faiths Forum. This fosters relationships between Christian, Muslim, Jewish and other faith schools;
- Christian Vision's support for missionary, broadcast radio and related materials in many countries of the world.

4.10 Family foundations and founders today – an illustration

Finally, this section sets out brief profiles of the founders, finances, mission and activities of some of the family foundations whose work was described above. They are listed alphabetically, and the number in brackets indicates position in the 2008/09 table of largest 100 family foundations.

Children's Investment Fund Foundation (8)

The Children's Investment Fund Foundation was set up by Christopher and Jamie Cooper-Hohn in 2002. Christopher Cooper-Hohn has worked in finance and hedge funds, setting up the Children's Investment Fund (TCI) in 2003. His finance operations have supported substantial donations, including one of £230 million that is thought to be the largest made by a Briton in a single year.²⁸

In 2008/09, CIFF spent about £23 million in support of its aims, and had assets of £1,440 million, down from about £1,555 million in the previous year. Over the four years 2005/06 to 2008/09, the charity has spent around £72 million. Its aim is to make a demonstrable, sustained, large-scale improvement to the lives of children in developing countries, principally Sub-Saharan Africa and India.

Christian Vision (13)

Christian Vision was set up by Robert Edmiston in 1993, and is based near Birmingham. Edmiston established International Motors in 1974, later expanding into property and finance. In 2008/09, Christian Vision distributed over £13 million, and had assets of nearly £188 million, down from about £200 million in the previous year. Christian Vision also continues to receive substantial current donations from both Robert Edmiston and IM Group companies, worth £7 million in 2008. Over the four years 2005/06 to 2008/09, the charity has spent £52 million on its projects. Its basic goal is stated as 'To introduce people to Jesus and encourage those who acknowledge Him to accept Him as the Son of God and become His true followers'.²⁹

Clore Duffield Foundation (43)

The Clore Duffield Foundation was founded in 1964 by Sir Charles Clore (1904–79). He was born in Whitechapel, the son of Jewish immigrants from Riga, becoming a financier, with both retail and property holdings. At one time, Clore owned the British Shoe Corporation and Selfridges, through his company Sears Holdings.

The Clore Duffield Foundation has made substantial donations to the arts, and to Jewish community projects in Britain and abroad. The Clore Gallery at the Tate was completed in 1987 with £6 million from Clore and his daughter, Vivien Duffield, and £1.8 million from the government. After Clore's death, Vivien Duffield became chair of the foundation. She set up her own foundation in 1987, and the two foundations merged into the Clore Duffield Foundation in 2000. She has been a governor of institutions including the Southbank Centre and the Royal Opera House, and chairs the Campaign for the University of Oxford, which aims to raise more than £1 billion for the university.³⁰

²⁸ *The Independent*, 3 July 2007.

²⁹ Annual Report and Accounts, 2008.

³⁰ Debrett's (online), Vivien Duffield: Biography.

De Haan Charitable Trust (15)

The De Haan Charitable Trust was set up in 1978 by Roger De Haan, former chair of the Saga Group, and his (late) father Sidney De Haan, the founder of Saga. Roger and Peter De Haan took over Saga in 1984, selling the entire Saga Group for £1.35 billion in 2004.

In 2008/09, the trust made donations of £11.5 million; its assets were nearly £46 million, down from about £58 million in the previous year. The charity continues to receive substantial donations from Roger De Haan: £6 million in both 2008 and 2009. Roger De Haan was awarded the Prince of Wales Medal for Arts Philanthropy in December 2008. The main categories for the trust's support are education, arts, culture and heritage, community development and regeneration, amateur sport, young people, and the health and welfare of older people, mainly in East Kent.

Foyle Foundation (38)

The Foyle Foundation was formed in 2000 from the provisions of the will of Christina Foyle (1911–99). Famous not only for bookselling but also for 'Literary Lunches', Christina Foyle left almost all her £60 million estate to charity, including her shares in the business. Her nephew, Christopher Foyle, later bought them back to continue the family business.³¹

In 2008/09, the Foyle Foundation made donations of about £5 million, and had assets of £73 million, up from £68.5 million in the previous year. The Batty Charitable Trust, set up by Christina's husband, merged with the foundation in 2009, bringing a further £12.6 million assets (not reflected in that year's accounts). The foundation has a Main Grants Scheme solely concerned with arts and learning, and a new Small Grants Scheme to support charities working at community level in a wide range of activities.³²

The Paul Hamlyn Foundation (14) and Helen Hamlyn Trust (44)

The two trusts are separate organizations, but they have similar aims and use the same website. The Paul Hamlyn Foundation makes regular donations to the Helen Hamlyn Trust.

The Paul Hamlyn Foundation was set up by Paul Hamlyn (1926–2001) in 1987, from profits from the sale of Octopus Books (sold for £530 million). Paul Hamlyn came from a family of Jewish refugees from Nazi Germany; he earned his wealth from publishing, through the Paul Hamlyn and Octopus imprints and, jointly with EMI, Music for Pleasure.

In 2008/09, the Paul Hamlyn Foundation made donations of £13.4 million and had assets of over £466 million, down from about £514 million in the previous year. Over the four years 2005 to 2009, the charity has made donations of £60 million, including to the Helen Hamlyn Trust. The Paul Hamlyn Foundation's aims for 2006–2012 include access to the arts, education and learning, integrating marginalized young people, advancing understanding of the relationship between arts, education and learning and social change, capacity-building in arts organizations, and developing the foundation as exemplary.

In 2008–09, the Helen Hamlyn Trust made donations of £4.7 million and had assets of over £4.3 million, down from about £5.9 million in the previous year. Lady Hamlyn makes regular current donations to the Helen Hamlyn Trust, so that its income is not dependent solely on its endowment and assets.³³

³¹ Interview, *Guardian*, 2 November, 2007.

³² 'Obituary, Christina Foyle', *Guardian*, 10 June 1999; D Teather, 'Interview with Christopher Foyle', *Guardian*, 2 November 2007.

³³ 'Obituary: Lord Hamlyn', *Daily Telegraph*, 4 September 2001; BBC News Archive, 24 November 2001.

Hunter Foundation (29) The Hunter Foundation was set up by Sir Tom Hunter in 1998 and registered in Scotland. Hunter was Scotland's wealthiest man and first billionaire in 2007, with wealth from the Sports Division retail company, property and private equity capital (West Coast Capital, set up in 2001).

In 2006, Hunter formed a partnership with former US president Bill Clinton, pledging £60 million to the Clinton-Hunter Development Initiative to develop communities in Africa (Malawi and Rwanda). He achieved a high profile in 2007 by announcing that he and his wife had pledged to give the majority of their fortune away through the foundation, specifically planning to invest £1 billion in venture philanthropy. In 2008/09, the Hunter Foundation made donations of £5.9 million and had assets of £3.4 million, an increase of just over £1 million on the previous year. Its main source of income is current donations from West Coast Capital, directly controlled by Hunter. Over the four years 2005/06 to 2008/09, the foundation has made donations of over £30 million. The foundation's aims are to support education, young people and the alleviation of poverty in the UK and internationally.

Pears Foundation (26) The Pears Family Charitable Foundation was set up in 1992 by the Pears family. The William Pears Group was formed in 1952 by Bernard Pears and his son Clive. The group owns properties and investments and is family-run.

In 2008/09, Pears spent £6.5 million on charitable causes and had assets of nearly £15 million, up from about £14 million in the previous year (most of the foundation's income is from current donations from the family's firms). The foundation has five main themes: Supporting the Jewish contribution to society; Identity, community and citizenship in the UK; Education on genocide; Israel as a global citizen; and Exploring philanthropy. Over the four years 2005/06 to 2008/09, the charity has committed over £20 million to address these issues.

Petchey Foundation (11) The Petchey Foundation was set up by Jack Petchey in 1999. Petchey began a car hire and sales business after the war, and this expanded into a large business group involved in property and investment. Control of EMH (European Motor Holdings) was sold in 2007. However, Jack Petchey still continues in investment and property, through companies including Trefick (an investment company), Petchey Holdings and Petchey Leisure (timeshare/resorts in Spain, Portugal and the UK). In 2009, Petchey's personal wealth was estimated at £495 million, having suffered a fall of almost 50% from £940 million in 2008.

In 2008/09, the foundation made donations of about £15.7 million and had liabilities of over £2 million, down from assets of about £5 million in the previous year; this was because of commitments made prior to receipt of expected income. Most of the foundation's income is derived from current donations from Jack Petchey. The foundation estimates that it has donated £65 million over its 10-year span, including the sponsorship of a new City Academy in Hackney, and has a commitment of £150 million over the next decade. Its primary objective is to support young people, particularly across London and Essex, but also in other national and international locations. The foundation funds and supports youth programmes through schools and youth organizations.

Rayne Foundation (104) The Rayne Foundation was established by Sir Max Rayne (1918–2003) in 1962. Rayne's family arrived in the East End of London before the First World War, and from modest beginnings Rayne became a major property developer and financier. He chaired his company, London Merchant Securities, for 40 years until 2000, and the foundation until his death in 2003. He was a member of the governing bodies of arts, education, medical and welfare charities, and a former chair of the National Theatre and St Thomas's Hospital.

In 2008/09, the Rayne Foundation was just outside the largest 100, at 104th ; it made donations of about £2 million, and had assets of nearly £39 million, down from about £72 million in the previous year. Over the four years 2005/06 to 2008/09, the charity has made combined donations of £7.4 million. The foundation has received two *Third Sector Excellence Awards*, for Innovation in Grant-making and Best Website. It aims to work in arts, education, health/medicine and social welfare, emphasizing that projects should have wide applicability, help the most vulnerable or disadvantaged, provide direct community benefits, tackle neglected causes and work in partnership.³⁴

Rufford Maurice Laing Foundation (32)

The Rufford Maurice Laing Foundation was formed by John Hedley Laing in 2003 by combining the Rufford Foundation (founded by John Hedley Laing in 1982) and the Maurice Laing Foundation (founded by his father, Sir Maurice Laing [1918–2008], in 1972). The Laing family's wealth is based on its former ownership of construction firm John Laing and Son and its successors.

In 2008/09, the Rufford Maurice Laing Foundation made donations of about £5.3 million and had assets of nearly £61 million, down from about £65 million in the previous year. Over the four years 2005 to 2009, the charity made donations of around £47 million, including an exceptional grant of almost £27 million in 2007/08 to set up the Rufford Small Grants Foundation, which specializes in environment and conservation. The foundation's primary concern is with nature conservation projects, principally in developing countries, and these accounted for around 65% of its funding in 2008/09. It also supports other overseas development, including young people affected by HIV, through the Elton John AIDS Foundation. In 2009, the trustees decided increasingly to concentrate funding on the foundation's core activity of nature conservation projects in developing countries undertaken by small to medium-sized organizations.

Samworth Foundation (94)

The Samworth Foundation was established by David Samworth in 1973. David Samworth was chairman of Samworth Brothers, a family-owned Leicestershire food manufacturer, from 1969 until he retired in 2005.

In 2008/09, Samworth made donations of about £2.3 million and had assets of around £4 million, down from about £5 million in the previous year. Much of the foundation's current income is donations from the settlor. The foundation has general grantmaking powers, with a particular emphasis on education. Its policy is to support a limited number of causes, and a large proportion of its grants have been concentrated on schools, particularly three City Academies.

³⁴ 'Obituary: Lord Rayne', *Guardian*, 14 October 2003; 'Obituary: Lord Rayne, Property developer and philanthropist', *The Independent*, 13 October 2003.

Martin Smith Foundation (57)

The Martin Smith Foundation was set up by Martin Smith in 1998. Smith studied at Oxford and Stanford, California, and then worked for around 25 years as an investment banker.

In 2008/09, Martin Smith made donations of about £3.8 million, and had assets of £174,000, down from about £3.2 million in the previous year. Its major source of income at the moment is donations from Martin Smith.

The foundation's aims are stated as arts, music and education, and other charitable purposes. It is well known for support for the arts and museums, including donations of £1 million to English National Opera and the Science Museum. A new initiative to step up support for science was funding for the Smith Centre at the Science Museum, which opened in October 2006. This was followed by a £10 million benefaction to establish the Smith School of Enterprise and the Environment at Oxford University.

Sutton Trust (55)

The Sutton Trust was set up by Sir Peter Lampl in 1997, with the aim of promoting social mobility through education. It is not among the largest trusts in the table, but emulates the path set by the Victorian Rowntree and Carnegie trusts of influencing policy and practice by promoting demonstration projects and research.

Sir Peter Lampl could be considered one of the most influential educationalists in the UK today. He was born in 1947; his father was a Czech refugee who arrived in the UK in 1938. He attended Reigate Grammar School and Pate's Grammar School (Cheltenham), going on to Corpus Christi College, Oxford. He worked abroad in the US and Germany for 20 years, returning to establish the Sutton Company, a private equity firm. On returning to Britain, he concluded that social mobility and educational opportunity had declined disastrously between the 1970s and the 1990s. This led him to establish the Sutton Trust.

The trust's income is derived principally from current donations from Peter Lampl. It also raises funds from a number of other foundations and sources, including Bowland, Esmée Fairbairn, Garfield Weston and Lisbet Rausing trusts, to develop large-scale co-funded access projects.

Volant Charitable Trust (60)

The Volant Charitable Trust, registered in Scotland, was set up by J K Rowling in 2000 from the wealth derived from her Harry Potter novels and films. Its name commemorates her mother's maiden name.

In 2008/09, Volant made donations of about £3.7 million, and had assets of nearly £38.4 million, down from about £49 million in the previous year. Over the four years 2005/06 to 2008/09, the charity has made donations of £16 million. Its stated aims are to support research into multiple sclerosis, and to support charities and projects, national or community-based, at home or abroad, that alleviate social deprivation, particularly those concerned with women and children.

The Waterloo Foundation (42)

The Waterloo Foundation is the newest in the 100, and was set up in 2007 by Heather and David Stephens, who donated around £99 million of Admiral Group shares. Established by David Stevens and based in Cardiff, Admiral Insurance itself is relatively new, dating from 1993. It now forms part of an expanded Admiral Group.

In 2008/09, Waterloo made donations of about £4.8 million and had assets of nearly £95 million, down from about £107 million in the previous year. Over the two years 2007/08 to 2008/09, the charity has made donations of £6.6 million, with further donations worth about £6 million in the following year. The stated aims of its main programmes include world development in the poorest countries (although not disaster relief) and the environment, especially sustainable projects affecting climate change. It also has smaller programmes supporting child development, and projects specifically in Wales.

4.11 Overview – independence with collaboration, responsiveness with leadership

Some clear outlines of a 'big picture' of philanthropy emerge from the brief overview of founders, foundations, mission and activities above.

We can see that foundations are often strongly driven by personal and family interests, but also work in complex, networked and multi-layered ways, in close partnerships with charities who provide services, government and the public sector, national and international leaders and academic institutions. They also co-fund initiatives. The joint Wolfson and Wellcome capital funding programme in the biomedical sciences was noted above. Another example is the Sutton Trust, which receives support for its work from several foundations, including Bowland, Esmée Fairbairn and Garfield Weston.

The contribution of foundations, whether as planned co-funding and partnership funding or as additional independent support, has helped to create a mixed economy of financial support for many of the UK's arts and other organizations. This provides independence as well as a degree of resilience when there are dramatic changes in particular income sources. Moreover, as was recently pointed out in the case of arts organizations, the complex 'ecosystem' in which skills, expertise and resources become transferred from one organization to another means that state and private philanthropic funding are highly interdependent.³⁵

The examples show how family foundations work both in a responsive mode, meeting the needs on the ground identified by those seeking support, and by trying to develop more radical solutions in more strategic and innovative modes of working. They fund on both large and small canvasses, often choosing the scale at which they provide support carefully, and being explicit about their targets. They work at the heart of society as well as its edges, with the powerful as well as the disenfranchised.

Even foundations with a predominant interest often support multiple causes, multiple organizations and sometimes individuals. Because of the diversity of ways in which family foundation giving is established, funded and managed, it reaches into most aspects of society's cultural, social, humanitarian, environmental, economic and educational life. Its £1.4 billion budget is stretched very thinly to meet the needs and opportunities it identifies.

³⁵ C Higgins 'In the complex ecosystem of British arts, weeds are as important as trees', *Guardian* 28 September 2010.

5

Conclusions and forward look

The report aims to measure and illustrate the contribution made by family foundation philanthropy in today's society, and provide a snapshot of contemporary philanthropy. This will help provide a reliable platform to inform how family foundations, individually or collectively, can use their limited resources in the most strategic and effective ways.

However the economy is managed, the next few years will see a very tight funding environment. Cuts in government budgets and increased unemployment will see levels of need rising, and there will be greater calls on philanthropy to support existing and new emerging forms of civil society.

The evidence gathered in this report shows that family foundation philanthropy today presents a powerful model of philanthropic engagement. A number of messages about the qualities it has developed to meet need in today's world emerge from the research.

Resilience

Trends in family foundation giving that have emerged over the last two or three decades show a strong and inspiring model. Giving increased in value steadily in a time of economic growth, substantially outpacing the general economy, and fell less than giving by other foundations in a time of economic collapse. This particular resilience was true of US as well as UK family foundations.

Commitment

While foundations are no more proof against economic shocks than other organizations, and many family foundations in the table of the largest 100 saw their asset values fall in 2008/09, generally there was growth and relative stability in their charitable spending. While this may have been driven by a large asset base, it also demonstrates commitment to supporting the causes and organizations they believe in.

Resources

The skills, achievements and success of their founders often mean that family foundations have important networks and connections that enable them to drive their programmes forward.

Capacity to draw different interests together

Family foundations build relationships with many public and private partners on whom they depend to enhance their knowledge of needs, options and practicalities, and to deliver their missions and visions.

Leaders as well as followers

Collectively family foundations balance catering to need in a simple daily way with radical approaches to solving problems. Some work in both these ways, operating simultaneously on research, policy and practice levels to effect change.

Guarding our heritage

Family foundations play a significant role in preserving and promoting the cultural and environmental heritages, and also in promoting an understanding of these in current and future generations.

The big challenges

Individual founders and foundations vary enormously in how they work and what they offer. And there will be different views about the equal value of all their activities. While frequently seeking the additional financial and political leverage that working in partnership with government and others can bring to issues, most are motivated to give precisely because of their independence of action and scope to drive their own visions. This means that the benefits that family foundations bring cannot be turned on or off like a tap.

Moreover, their resources are very thinly stretched. While representing just 0.1% of the economy, they appear spread over a field of need and opportunity as wide as – if not wider than – that of government.

Collectively, as has been seen in the US and other countries, family foundations represent a potentially rich resource, and a model to which many others with wealth could aspire.

Appendix 1

Historical background, scale and scope of charitable foundations today

Concept of foundations

All registered charities in the UK, whatever their name (eg 'foundation'), funding source or activities, have the same legal character, that of the 'charitable trust'. They represent donations made in perpetuity for charitable purposes which, rooted in common law traditions, were defined in the 1601 Charitable Uses Act, and have since been modified, but never fundamentally changed. UK foundations do not have a distinct legal identity or constitution, and are subject to the same public benefit tests, governance and accounting requirements and Charity Commission regulation as all other charities.

Although the term 'foundation' tends to be used in the UK for charities with endowments and whose principal activity is grantmaking, many of the earliest foundations in the UK were operating and direct service-providing, not grantmaking, such as the almshouses which date from the 10th century. Examples that are both grantmaking and operating are the large medical research foundations and charities. The Carnegie UK Trust is an endowed trust which entirely operates its own programmes.

US foundations began to be formed in the early 20th century, on the back of wealth made during the industrial revolution. Andrew Carnegie's philanthropic activities were highly influential. In 1917 tax deductions for charitable contributions were established. US law places more constraints on foundations than are seen in the UK, the most significant being the Tax Reform Act of 1969, which imposed mandatory annual payout rates on private foundations that made grants.

European foundations have different and specific legal structures, and are part of a civil law in which legal categories of foundations and their assets have not distinguished sharply between public and private sectors. Nonetheless, research carried out by the European Foundation Centre across 15 European countries found that the large majority of foundations were established by an individual from his/her personal wealth, or by the joint initiative of several individuals – 73% of foundations in Belgium and 46% in France in 2001 respectively. Individuals have accounted for 65% of foundations' founders in Germany since the 1950s.

Development of foundation philanthropy in UK

Nineteenth-century philanthropists began to focus on the problems of society as opposed to individuals, and the era of 'scientific philanthropy' saw concepts of 'charitable handouts' abandoned in favour of major investments in programmes enabling self-improvement, addressing the root causes of poverty and the social impact of urbanization and industrialization. The philanthropy of the great UK social reformers such as Robert Owen,

Joseph Rowntree and Barrow Cadbury (like Ernst Abbe of the Carl Zeiss Foundation in Germany) aimed to improve the welfare and working and living conditions of their employees. Their charitable foundations were established to protect or take forward this work. For example, in 1900 a trust was established to maintain the model Bourneville village created by Cadbury, with ownership of the estate and 313 houses invested in the trustees.

As in other countries, the emergence of the major charitable foundations in the UK is linked to issues of corporate succession planning. Henry Wellcome's will created the Wellcome Trust, which owned the Wellcome Foundation Limited, the huge drug company that he had built up; the process of separation began formally in 1986 when the courts amended the will to allow the foundation to become a public limited company and float its shares. The Wellcome Trust increasingly diversified its shareholding and during the 1980s and 1990s built up the investment portfolio that funds its charitable work today. To protect the trustees, the Wellcome Trust Ltd was created as sole trustee of the trust, and the trustees become governors responsible for the trust, but without liability for its assets.

A modern example of a close relationship between personal, business and philanthropic activities is the Children's Investment Fund Foundation (CIFF), set up by Chris and Jamie Cooper-Hohn, who have transferred into CIFF a large portion of the assets acquired through TCI, the hedge fund firm they established in 2003; these assets were then largely reinvested in TCI, to generate funding for the foundation.

Successive waves of immigration into the UK have also driven the growth of family foundation philanthropy in the UK, as successful community figures established foundations to help their compatriots, often with a mix of social welfare and faith-based objects. Grantmaking foundations established by and for the Jewish community have particularly helped to shape the UK family foundation world. Many of these have a local focus on areas where Jewish people have settled, such as east London. An increasing number of large charitable foundations are being established in the UK by the Muslim community, as well as Hindu and Buddhist foundations.

Scale and scope

US

There were more than 75,000 US foundations in 2009. Their assets were worth \$583 billion, and the total value of their giving was almost \$43 billion.³⁶

UK

It has been estimated that there are around 10,000 UK foundations whose main purpose is grantmaking. The total 2008/09 giving of the largest 500 of these, who account for the vast majority of giving through foundations, was worth £3 billion if the government-established Big Lottery Fund is included, and £2.5 billion without it. The assets of the largest 500 are worth around £36 billion.³⁷

Continental Europe

Less data is available on continental Europe's foundations, but estimates suggest that there are around 80,000–90,000 grantmaking foundations in Western Europe, and 110,000–130,000 if Central and Eastern Europe are included.³⁸ The EFC's top 50 foundations across 13 countries (Belgium, Estonia, Finland, France, Germany, Hungary, Italy,

³⁶ Foundation Center (2010), <http://foundationcenter.org/findfunders/statistics>

³⁷ C Pharoah (2010) *Charity Market Monitor 2010* CaritasData, London.

³⁸ H Anheier (2001) *Foundations in Europe: A comparative perspective* Civil Society Working Paper 18.

www.lse.ac.uk/collections/CCS/pdf/CSWP18_revised_july_2001.pdf.

Luxembourg, Slovenia, Slovakia, Spain, Sweden, and the UK) represent a pool of assets of €88 billion, which accounts for 37% of the total assets of foundations in these countries.³⁹

Family foundations

The US Foundation Center⁴⁰ reports continuing growth in the numbers of family foundations in the US, reaching almost 38,000 in 2008, with total giving of over \$21 billion. The UK too has seen the establishment of many new charitable family foundations, though there is no published data on the rate of growth in their numbers; their names bear witness to the philanthropy of the modern era, including Sainsbury, Foyle, Paul Hamlyn, De Haan, Hunter, Volant, Shirley, Sutton, Vardy and Pears, among others. The Charity Commission reported that 60 new family foundations were set up in 2006 alone.

³⁹ www.efc.be/projects/knowledge

⁴⁰ Foundation Center (2010), <http://foundationcenter.org/findfunders/statistics>

Appendix 2

Definitional note

This note sets out the standard definitions used in carrying out the research. A fuller account of working criteria for use in selecting and preparing comparative international data within the European context is set out in a previous publication.⁴¹

Definition of foundations

Although varying considerably in origins and purpose, the defining features of a charitable foundation as an institution are taken as:

- a non-membership-based organization;
- institutionally detached from government/public agencies in terms of autonomy;
- a non-profit-distributing entity;
- a self-governing entity;
- accepted as serving a charitable public purpose.

Charitable family foundations

A broad research classification commonly used in the US and Europe divides foundations into several types according to the nature of their funding, governance and operation, as set out below:

Figure 15
Types of foundations

<i>Type of foundation</i>	<i>Type of funding</i>
Public	Mainly funded from government sources
Private/independent	Independent funding from individual, family or family business
Corporate	Funded by a company to carry out its giving
Community	A community 'pot' funded from a number of sources
Operating	Funded by endowments or by fundraising for running their own programmes as distinct from making grants to others

Charitable family foundations are in the category of private/independent foundations. A good approach for identifying family foundations is that of the Foundation Center in New York, which uses a number of objective and subjective criteria to help identify a family foundation, including:

- independent foundations which have a 'family' or 'families' in their name, or a living donor whose surname matches the foundation name, or
- at least two foundation surnames that match a living or deceased donor's name, or
- any independent foundations that self-identify as family foundations on annual Foundation Center surveys.

⁴¹ C Pharoah et al (2009) *Family Foundation Philanthropy 2009*
Alliance Publishing Trust, London.

More recently this typology has been challenged by the European Foundation Centre (EFC), which states that 'developing a (common) typology (of foundations) for Europe as a whole presents a challenge. This is due to the many languages and cultures and the different legal/fiscal environments from one nation to the next.' It notes that any typology will result in 'some degree of distortion'. The EFC argues that it is as important, if not more important, to understand foundations by their comparative impact as by the origins of their funding.

About CGAP



The ESRC Centre for Charitable Giving and Philanthropy (CGAP) is the first academic centre in the UK dedicated to research on charitable giving and philanthropy. Three main research strands focus on individual and business giving, social redistribution and charitable activity, and the institutions of giving. CGAP is a consortium including the Universities of Strathclyde, Southampton and Kent, University of Edinburgh Business School, Cass Business School and NCVO. CGAP's coordinating 'hub' is based at Cass Business School. CGAP is funded by the ESRC, the Office for Civil Society, the Scottish Government and Carnegie UK Trust.

For further information on CGAP, visit www.cgap.org.uk

About Pears Foundation



Pears Foundation is a UK-based family foundation committing in excess of £25 million to charitable causes in the last five years. The foundation's work is concerned with exploring the role of philanthropy in society, promoting positive identity and citizenship and placing social responsibility at the heart of Jewish identity.

For further information see www.pearsfoundation.org.uk

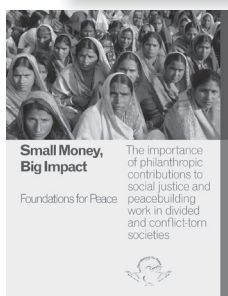
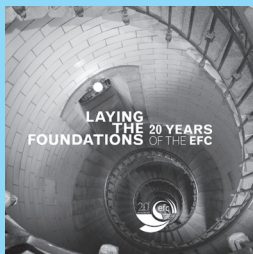
Family Foundation Philanthropy 2009



The Bill and Melinda Gates Foundation currently provides the most concerted challenge to government approaches to tackling problems of global health. At the same time, the foundation set up by business billionaire Hans-Werner Hector made, in 2008, the largest single donation ever to a German state university, causing national controversy over the status of so-called 'elite universities'. In the light of these and other strategic initiatives, the influential role of family foundation philanthropy in social policy and practice has never been more topical.

Family Foundation Philanthropy 2009 updates and compares trends in the charitable spending of major family foundations in the UK and US. It also presents new data on family foundations in two contrasting continental European countries, Germany and Italy. The historical, legal and political contexts in which such foundations operate in these countries are shown to be significantly different, yet in spite of these differences philanthropy of this kind has constantly found ways to re-emerge and reconfigure itself.

The research presented here demonstrates the strength of family foundation philanthropy and the extent to which it has become a vehicle for successful entrepreneurs and other donors not only to support, but often to strategically influence, the scientific, cultural, social and economic progress of their time. The study also raises questions about the common themes and overarching motivations which give family foundation philanthropy a continuing role under sometimes difficult conditions and in different times, contexts and places.



Are you looking for a publisher?

Alliance Publishing Trust offers a complete, customized publishing service, at very reasonable prices.

“We found the help given with editing and design of the report excellent. It was no easy task to edit and collate the report for a wider audience, but it was handled with patience and sensitivity.”

Monina O’Prey
Foundations for Peace

“New to the world of publishing, I was exceptionally pleased with how well Alliance Publishing Trust took care of me and my book project.”

Hans Erik Naess, author of *A New Agenda: The European Union and Cultural Policy*

“Alliance Publishing Trust provides very efficient and cost-effective services. We have used them for several publications and they have made them very attractive, which has contributed to their branding as cutting edge, informative materials.”

Peggy Sailler, Executive Director,
Network of European Foundations

In addition to publishing *Alliance* magazine, APT now publishes books and reports. We can offer any of these services at affordable prices:

Editing and proofreading Done by people familiar with foundations and the NGO sector, who can accurately edit the work of non-native English writers

Design Including cover, layout, online materials

Printing Books and reports, printed to the highest quality

Distribution Including sales in the UK and abroad

Project management Complete attention from beginning to end

For more information, please contact Kai Hopkins at kai@alliancemagazine.org



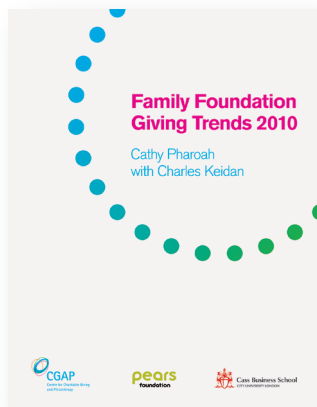
www.alliancemagazine.org



Alliance magazine

APT also publishes *Alliance* magazine, the leading global magazine on philanthropy and social investment. The quarterly magazine and monthly eBulletins are designed to keep subscribers up to date with new developments and new ideas.

To subscribe to *Alliance* please visit www.alliancemagazine.org or contact alliance@alliancemagazine.org



Just as we are experiencing severe reductions in public expenditure, and the wealthy are being urged to give more back to society, this report provides timely data on the charitable giving and activities of major family foundations. It attempts to draw the ‘big picture’ of family foundation giving in the 21st century.

Family Foundation Giving Trends 2010 is a collaboration between academics and practitioners in philanthropy, and the third report in a new annual series. It updates figures for the giving of the UK's family foundations in 2008/09, providing a table of the largest 100, analysing the impact of recent economic turbulence and comparing trends with those in the US.

With many new family foundations established by the successful entrepreneurs of an era of expanding global markets and capital flows, including, for example, the Waterloo Trust, set up by the founders of Admiral Insurance, and the Volant Trust, set up by J K Rowling, the research shows that family foundation giving has been remarkably resilient in recent difficult times.

The report provides many examples of foundations, founders and funding awards, revealing significant national investment in education, science, culture and the environment. It shows foundation leadership and innovation in approaches to some of society's most intractable problems, and highlights how foundations mobilize resources by working in partnership with civil society, government and business.

Giving, however, is often driven by personal vision and thinly stretched over a breath-takingly wide range of need. In showing how much has been attempted with limited resources, the report aims to encourage others to give more, and give effectively.

About the authors

Cathy Pharoah is Professor of Charity Funding and Co-Director of the ESRC Research Centre for Charitable Giving and Philanthropy, Cass Business School.

Charles Keidan is the Director of Pears Foundation, a family foundation based in London.