



**UK
COMBATING
CORONAVIRUS**

New Grant-Makers **2020**

**A review of grant-making
charitable foundations
and trusts established in
England & Wales in 2020**

“If 2008-12 provides us insight into future giving trends, the Covid-19 pandemic of 2020 may be the catalyst for a golden era in British philanthropy.”

Introduction

2020 saw the highest number of grant-making foundations and trusts established in England and Wales since 2012. 1,731 foundations and trusts with the primary purpose of serving as grant-making institutions were registered with the Charity Commission of England and Wales. In a year in which the Covid-19 pandemic has revealed its impacts on society in both measurable and less quantifiable ways, this review of the rise in charitable foundations and trusts in 2020 indicates a potentially new source of support to both UK- and internationally-based organizations, planning for their post pandemic-recovery.

British philanthropy has already made a significant contribution to the fight against Covid-19, whether this be through support for scientific research or in providing targeted assistance to those suffering from the immediate social and economic fall-out of the pandemic. Premier League footballer Marcus Rashford's efforts to galvanise action on child food poverty was a stand-out example last year.

The registration of over 1,700 new grant-making foundations and trusts during the course of 2020 in England and Wales provides a valuable indication of philanthropic intention over the coming years. It also suggests that the pre-existing trend for High Net Worth Individuals (HNWI) and families to register philanthropic foundations and trusts looks set to continue.

Context

Global philanthropy is a rapidly growing sector. Harvard University's *Global Philanthropy Report* concluded that the boom in philanthropy is explained by an increase in private wealth accumulation as well as to government efforts to encourage philanthropic giving.

Global HNWI wealth has increased almost fourfold over the last 20 years. Harvard considers substantial private wealth to be "a prerequisite of a robust philanthropic sector", following in the long tradition of American Foundations, such as Rockefeller and Carnegie.

The global spread of philanthropy is now catching up; Harvard estimates that nearly three-quarters of the world's philanthropic foundations were established over the past 25 years. As a result the institutional framework for philanthropic grant-making is becoming more sophisticated at the global level.

According to the Charity Commission of England & Wales' register of charities, there are now a total of 61,844 registered grant-making charitable foundations and trusts. 45 percent of these – 27,863 in total – were established over the past 20 years.

“17 percent of all grant-making charitable institutions expending over £1m in the last reported financial year were established between 2008-12. This suggests that during or in the wake of economic downturns, some of the most generous grant-makers emerge.”

Analysis

While the registration of foundations and trusts does not provide any guarantee of the level of future funding, it does reveal an intention of philanthropic endeavour. The shortfalls and inequalities revealed by the Covid-19 pandemic have served as a reminder to many that, as the millionaire businessman Matt Moulding concludes, "it is essential that those who are able to help out, do so".

Given the relationship between private wealth accumulation and philanthropy, it is reasonable to assume that a significant proportion of grant-making foundations and trusts registered in 2020 were established by HNWIs and their families. The sums involved are not insignificant. This review found that 2,210 foundations and trusts established in the past 20 years spent more than £500,000 in the latest financial year reported. 1,394 of them expended more than £1 million.

The other revealing fact is the total number of foundations and trusts registered in 2020 is the highest since the aftermath of the last economic crisis. 17 percent of all grant-making charitable institutions expending over £1 million in the last reported financial year were established between 2008-12. This suggests that during or in the wake of economic downturns, some of the most generous grant-makers emerge.

If the current increase in the registration of foundations and trusts echoes the trend following the financial and economic crises of 2007-8, then we can expect a significant rise in the number of grant-making foundations and trusts being established during 2021 and subsequent years.

While the full scale of funds available for grant-making over the past decade by charitable trusts is unclear, we know from the Association of Charitable Foundations index of Britain's leading 300 grant-making foundations and trusts that their assets grew from £48 billion to £67 billion between 2012-2018.

It is also too soon to tell exactly how the new wave of foundations and trusts will choose to allocate their grants, but 53% of trusts and foundations established in the past 20 years support educational causes. It is also of note that 655 foundations and trusts (38 percent of those set up in 2020) stated that their grants will be directed towards international causes.

This is in contrast to 32 percent of intended international grants over the last 20 years and the 21 percent of all 61,844 grant-making foundations registered with the Charity Commission. It suggests that there has been an increased internationalization in the UK's philanthropic sector in recent years.

If recent history provides insight into future giving trends, the Covid-19 pandemic of 2020 may be the catalyst for a golden era in British philanthropy. The financial contribution of these charities may not emerge fully for some years, at least until the first set of annual accounts are filed with the Charity Commission, but the implications for potential grantees and organizations adversely affected by the pandemic is extremely promising.

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Key facts

27,863

current grant-making trusts established in England and Wales between 2001-2020.

53%

of grant-making trusts established in England and Wales between 2001-2020 give to education.

38%

of grant-making trusts established in England and Wales in 2020 are aimed at supporting international causes.

17%

of all grant-making trusts in England & Wales expending over £1m in the last financial year were established between 2008-12.

13%

of all registered grant-making trusts and foundations in England & Wales were established between 2008-12.

Notable personalities who established foundations in 2020

Philanthropist	Main funding areas
Dame Penelope Keith <i>Actor</i>	Not specified.
Dame Zandra Rhodes <i>Fashion designer</i>	To advance education in the art of fashion design and textiles.
Christopher Wilkinson <i>Architect</i>	Not specified.
Aud Jebsen <i>Widow of shipping magnate Kristian Jebsen</i>	To support the performing arts, children and education.

Business which established foundations in 2020

Business	Sector	Main funding areas
Compass Group	FTSE 100 contract food service business	Education, food and nutrition
HG Capital	London-based private equity firm	Education and technology
London Insurance Market	Leader in the UK's insurance and reinsurance industry	Education

Grant-making trusts established in 2001, 2010 and 2020

Year est.	No. of trusts.	Expended over £500k in last reported year	Expended over £1m in last reported year
2001	1,037	104	64
2010	1,901	214	115
2020	1,731	N/A	N/A

1,731 grant-making trusts and foundations established in England and Wales in 2020.

“With so many people being impacted as a result of Covid, it’s essential that those who are able to help out do so, especially in these difficult times.”

Matt Moulding, The Times, 17 December 2020

Case study

Matt Moulding is the founder and Chief Executive of The Hut Group, an e-commerce company headquartered at Manchester Airport. It operates over 100 international websites selling a wide-range of consumer products. The group has benefited from a boom in online shopping during the pandemic and added 3,000 jobs — to take its headcount to approximately 10,000.

In September 2020 Mr Moulding listed his company on the London Stock Exchange with a valuation of £5.4 billion. It was the largest stock exchange listing since 2013. It was reported that he was on track to receive £830 million in stock and pledged to donate his £750,000 salary to charity.

At the beginning of December 2020, Mr Moulding and his wife, Jodie, registered The Moulding Foundation. According to its governing document, the Foundation is geared towards causes in the North of England, and will include charities and resources engaged in tackling the Covid-19 pandemic as well as a range of other activities such as substance abuse, domestic violence and children with behavioural difficulties.

Approach

The purpose of our research was to identify grant-making charitable foundations and trusts established in 2020, and to provide a 20 year context.

UniversityPhilanthropy.com and The Cape Partnership drew on data available at the website of the charity regulator, the Charity Commission for England and Wales.

The Charity Commission for England and Wales is a non-ministerial government department that regulates registered charities in the two nations. All registered charitable foundations and trusts are required to file annual reports and adhere to the laws and regulations governing charities.

While every effort has been made to ensure the accuracy of this data, it does not necessarily represent a complete picture of all UK charitable foundations and trusts. Our research identified 1,731 grant-making charities registered in 2020, however, some foundations and trusts may not provide explicit definition of how the charity operates. In addition this study does not include charitable foundations and trusts registered with regulators in Scotland and Northern Ireland.

About the Cape Partnership and UniversityPhilanthropy.com

UniversityPhilanthropy.com is the dedicated research arm of The Cape Partnership, the London-based public affairs and policy advisory firm. Our policy professionals have a particular specialism in higher education. We work with a range of charities and universities on building profile, representation and mapping funding opportunities. For more information on our research and services please visit www.capepartnership.com and universityphilanthropy.com

A blue banner is suspended vertically in front of a classical building facade. The banner features the words 'THANK YOU' in large, white, bold, sans-serif capital letters. Below this, the hashtag '#OURHEROES' is written in a smaller, white, sans-serif font. The building behind the banner has light-colored stone or concrete walls with decorative architectural elements like cornices and balustrades. The lighting suggests a bright, sunny day.

THANK
YOU
#OURHEROES

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