

## BRITAIN'S BIGGEST CHARITIES: KEY FEATURES

### Key findings

When we looked at charities with an income over £100m, 'super-major' charities, between 2009/10 and 2015/16, we found that:

- Many of the most well-known and long-established charities are super-major, working predominantly in social services, international development and health.
- Super-major organisations are small in number, but grew from 26 to 45. Their income and share of the voluntary sector's total income has also grown.
- Similar to other charities, super-major charities receive the largest proportion of their income from individuals. But they receive more of their income from the voluntary sector and less from government.
- Super-major charities receive a greater proportion of their income from voluntary sources, and less from earned sources, than other charities.
- Super-major charities spend a similar proportion to other charities on charitable activities, but a greater proportion of this happens through grant making. They account for a nearly a third of the sector's grant making.
- Super-major charities hold a significant proportion of the sector's assets, with much of this held by the Wellcome Trust.

We also looked at the ten super-major charities that have experienced the largest income growth. We found:

- Income from government and investments has played a key role in their rising income.
- The majority of these charities have an international focus, and income from the EU, foreign governments and international agencies has contributed to rising incomes.
- Income from individuals has not been a factor in explaining growth in most cases.

## Introduction

Every year, NCVO produces the Civil Society Almanac, which provides an overview of the voluntary sector in terms of its size and scope, financial health, rates of volunteering and makeup of its workforce. One of the main ways in which it breaks down the data is by size of organisation. The largest charities, those with an income over £100m, are named 'super-major'. These include many household names, such as Cancer Research UK, The National Trust and Oxfam.

In 2015/16, there were only 45 super-major charities in the UK. Yet they accounted for a significant proportion of the sector's overall income and have been growing in number in recent years.

In this research briefing, we aim to:

- examine who these super-major charities are, what they do and their finances, comparing them to other charities.
- look more closely at the super-major charities that have experienced the largest increases in income since 2009/10.

## Our approach

We have used the most recent data available from the UK Civil Society Almanac 2018, based on the charities' annual accounts for the financial year 2015/16.

Within the Almanac, charities are divided into six groups based on their income:

**Table 1: Definition of income bands**

Income	Category
Less than £10,000	Micro
£10,000 to £100,000	Small
£100,000 to £1m	Medium
£1m to £10m	Large
£10m to £100m	Major
More than £100m	Super-major

Every super-major charity is included in the Almanac each year, whereas for other sizes of organisation a sample is used<sup>1</sup>.

The table on the following page lists the 44 super-major charities in England and Wales, including their year of formation, subsector (based on the ICNPO classification<sup>2</sup>) and income in 2015/16. One super-major charity is based in Scotland, for which less information is available so it is not included in this table.

<sup>1</sup> Find out more about the methodology on the Almanac [website](#).

<sup>2</sup> Find out more about ICNPO on the Almanac [website](#).

Table 2: Overview of charities with an income over £100m in 2015/16

Charity	Year of formation	Subsector	Income 2015/16 (£m)
Save the Children International	1972	International	807.0
Cancer Research UK	2002	Research	631.0
The National Trust	1895	Environment	522.8
Wellcome Trust	1936	Research	436.2
Oxfam	1942	International	408.0
The Save the Children Fund	1919	International	393.8
Barnardo's	1866	Social Services	298.7
British Heart Foundation	1961	Research	298.0
The British Red Cross Society	1870	Social Services	270.8
Marie Stopes International	1976	Health	269.1
Macmillan Cancer Support	1911	Health	232.6
The Salvation Army	1865	Social Services	209.0
Sightsavers	1950	International	200.4
St Andrew's Healthcare	1838	Health	199.0
Royal Mencap Society	1946	Social Services	191.3
The Royal National Lifeboat Institution (RNLI)	1824	Social Services	183.9
Canal & River Trust	2012	Culture and recreation	183.0
Age UK	2010	Social Services	168.1
The Royal British Legion	1921	Social Services	162.5
Action for Children	1869	Social Services	160.9
Leonard Cheshire Disability	1948	Social Services	159.1
The Children's Investment Fund Foundation	2002	Grant-making foundations	159.1
Change, Grow, Live	1880	Social Services	158.3
Genome Research <sup>3</sup> (Wellcome Sanger Institute)	1992	Research	157.6
Marie Curie	1948	Health	156.2
Power to Change Trust	2015	Employment and training	152.3
The Francis Crick Institute	2007	Health	148.6
Royal Opera House	1950	Culture and recreation	142.5

<sup>3</sup> Genome Research is predominantly funded by The Wellcome Trust and running the Sanger Institute is its main activity

Royal Society for the Protection of Birds	1889	Environment	137.0
The National Society for the Prevention of Cruelty to Children (NSPCC)	1884	Social Services	128.9
Royal Society for the Prevention of Cruelty to Animals (RSPCA)	1824	Environment	125.7
International Rescue Committee	1933	International	125.1
The Royal National Theatre	1963	Culture and recreation	121.7
The Royal National Institute of Blind People (RNIB)	1868	Social Services	114.5
The Orders of St John Care Trust	1991	Health	110.6
The Salvation Army Social Work Trust	1891	Social Services	108.8
Citizens Advice	1939	Law and advocacy	108.6
The Shaw Trust	1982	Employment and training	107.2
Community Integrated Care	1988	Health	107.0
Christian Aid	1945	International	107.0
Comic Relief	1968	Grant-making foundations	106.8
Islamic Relief Worldwide	1984	International	106.7
Unicef UK	1956	International	101.8
St John Ambulance	1888	Health	101.0

## Size and scope

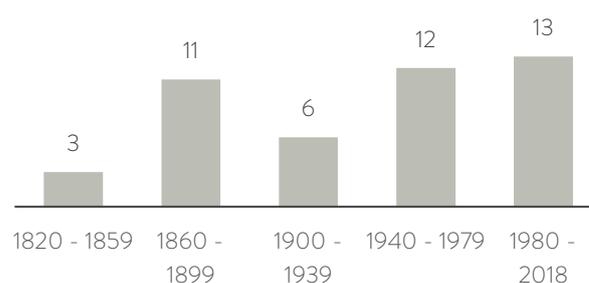
### Most super-major charities were formed before 1980

Almost three-quarters of super-major charities (32) were formed before 1980. Around a third (14) were formed between 1820 and 1899, with the oldest charities, The Royal National Lifeboat Institution (RNLI) and Royal Society for the Prevention of Cruelty to Animals (RSPCA), beginning in 1824.

Six super-major charities have been formed since 2000, including the Power to Change Trust in 2015 with a £150 million endowment from the Big Lottery Fund, and The Canal and River Trust in 2012. The latter was set up to take responsibility for canals, rivers and docks formerly overseen by the government. Two were

formed as a result of mergers. Age Concern and Help the Aged merged to form Age UK in 2010, while Cancer Research UK was formed in 2002 from the merger of The Cancer Research Campaign and the Imperial Cancer Research Fund, neither of which were pre-existing super-major charities.

Figure 1: Super-major charities by year of founding



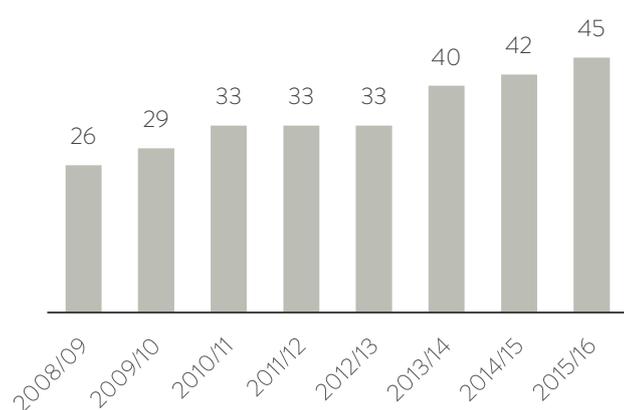
### Super-major charities have grown in number

Since 2008/09, super-major charities have grown in number from 26 to 45. Of those 26, 23 were still super-major charities in 2015/16.<sup>4</sup>

The largest increase came in 2013/14, when the number of super-major charities increased from 33 to 40. A total of eight charities increased their income to over £100m in 2013/14, while one charity's income (Islamic Relief Worldwide) decreased to below £100m and so became a major, rather than super-major, charity.

Of the eight charities new to the super-major category in 2013/14, three were grant-making foundations and two were from the culture and recreation subsector. Only one of these charities was a newly formed organisation.

**Figure 2: Number of super-major charities, 2008/09 - 2015/16**



### Super-major charities operate nationally but are predominantly based in the south of England

All super-major charities, except one based in Scotland, are located in England. Among these, just over two-thirds (68%) are based in London, compared to just under a fifth (18%) for all other charities. Almost 90% of all super-major charities are based in the three regions of the south (London, the south east and south

west) compared to around a half (50%) of all other charities.

While many of the super-major charities are based in London, this often reflects the location of their headquarters and does not capture the fact that many will operate nationally and overseas.

### Super-major charities are more likely to operate at the national level

Almost three quarters (73%) of super-major charities operate nationally, in comparison to 14% of all other charities. Many of these charities will also operate at a local level, however, by providing grants to local organisations and services through their local branches for example.

Super-major charities are much less likely to operate *solely* on a local basis (5%), in comparison to of all other charities (76%), and much more likely to operate solely on an international basis (18% and 6% respectively).

### Almost a third of super-major charities are involved in social services

In comparison with all other charities, super-major charities are less evenly represented among different subsectors (see appendix for a full list of sectors). Half of the subsectors (9) contain no super-major charities, including housing, education and development. Social services is the most common activity of all UK charities. 30% of super-major charities operate in this subsector, while the proportion is 19% for all other charities.

Super-major charities are also more likely to be involved in health and international work than all other charities (18% compared to 4%).

Some of the most well-known research organisations are super-major charities, including Cancer Research UK, British Heart Foundation and The Wellcome Trust.

<sup>4</sup> Over time, we would expect to see some degree of increase in the number of super-major charities due to the threshold of £100m not rising with inflation. However, as seen in table

2, the vast majority of these organisations have income well beyond £100m and have not simply been 'tipped' over the threshold due to inflation.

## Finances

Below we look at the income, spending and assets of super-major charities. All figures have been adjusted for inflation, converted into 2015/16 prices.

### The income of super-major charities has grown

In 2015/16, super-major charities generated £9.4bn in income. Despite only comprising 45 organisations, their income is equal to a fifth (20%) of the voluntary sector's total income. Income is not evenly spread among super-major charities, however. There are five charities with an income over £400m, while 32 have an income of less than £200m.

There have been increases in both the total income of super-major charities (increased by £3bn from £6.4bn in 2008/09) and in their share of the sector's total income (increased from 15% in 2008/09 to 20% in 2015/16). We know from previous research looking at the trajectories of charities' income based on their proportional change, super-major charities' income generally remains stable or increases slightly over time, and is less susceptible to sudden decreases.<sup>5</sup>

The largest increase came between 2012/13 and 2013/14, when the total income of super-major

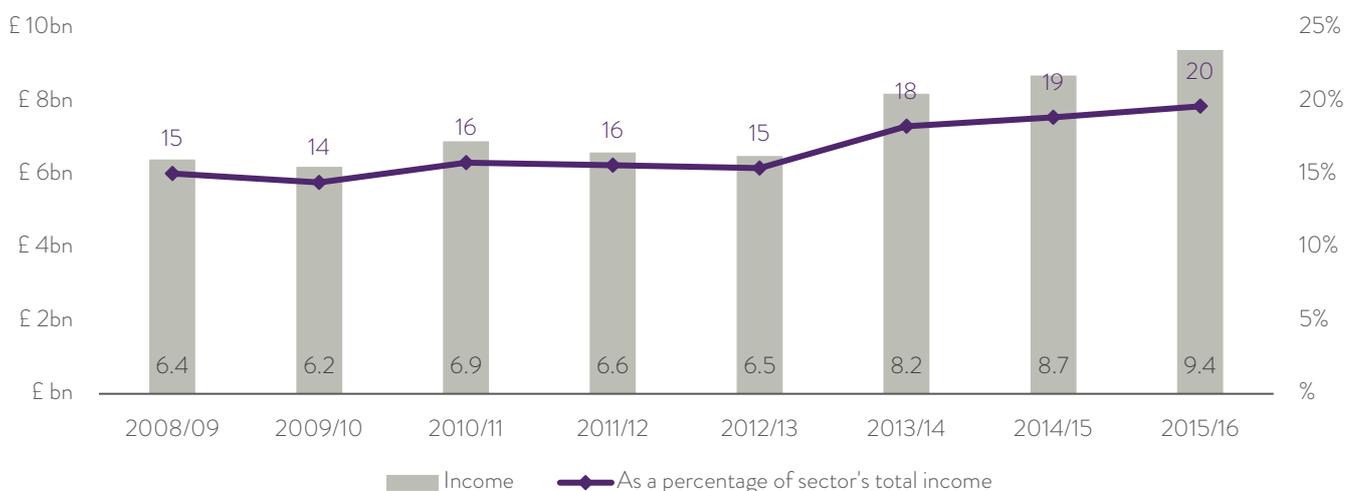
charities increased from £6.5bn to £8.2bn, which is linked to the increase in number of super-major charities from 33 in 2012/13 to 40 in 2013/14. The average income of super-major charities also rose from £198m to £205m. Prior to that, total income had fluctuated between £6.2bn and £6.9bn and average income decreased every year between 2008/09 and 2012/13.

### Super-major charities receive the highest proportion of their income from individuals

There are broad similarities between super-major charities and all other charities combined in terms of the sources of their income. Both receive the largest amount of their income from individuals – 45% and 47% respectively – and receive the same proportion (7%) from investment. They also receive similar proportions from the National Lottery (2% and 1%) and private sector (5% and 4%).

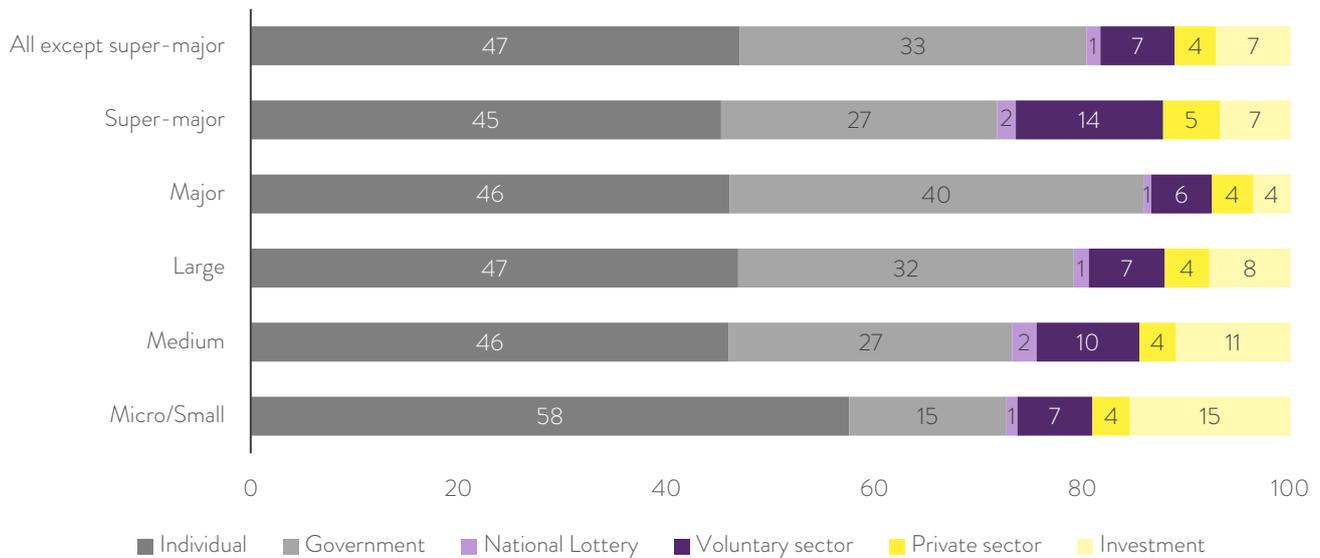
Super-major charities receive a similar proportion of their income from individuals to each other size of charity, other than small/micro organisations (those with income less than £100,000), which receive 58% from this source.

Figure 3: Income of super-major charities and as a percentage of the sector's total income, 2008/09 – 2015/16 (£bn, %, 2015/16 prices)



<sup>5</sup> NCVO (2016) [Navigating Change](#)

Figure 4: Income sources by types of organisation (% , 2015/16 prices)



However, super-major charities differ in some respects from other charities in terms of the sources of their income.

- Super-major charities receive a slightly lower proportion of their income from government (27%) compared to all other charities combined (33%). Micro/small charities are the only charities that receive a smaller proportion from government (15%).
- Super-major charities receive a larger proportion of their income from the voluntary sector, such as trusts, foundations or other charities (14%), than all other charities combined, who receive 7% from this source.

There are greater differences when income is analysed by type. This refers to whether income is voluntary (income freely given, usually as a grant, donation or legacy, for which little or no benefit is received by the donor), earned (gross fees for goods and services that are provided as part of the charity’s mission or to generate funds) or from investments.

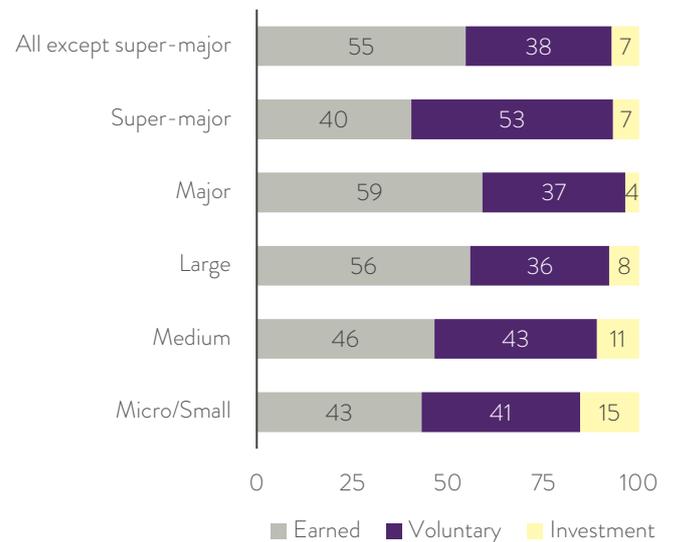
For example:

- Voluntary income accounts for over half of super-major charities income (53%), more than the 38% that all other charities combined receive from this income type. Super-major charities receive a

greater proportion from voluntary income than every other size of organisation.

- They generate less earned income (40%) than all other charities combined (55%). Super-major charities receive a smaller proportion from earned income than every other size of organisation.

Figure 5: Income types by types of organisation, 2015/16 (%)



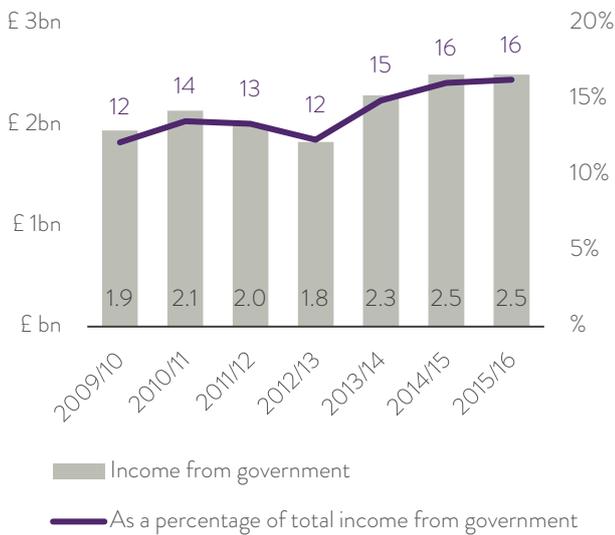
**A slightly larger proportion of government funding goes to super-major charities than it used to**

In recent years, super-major charities have received a growing share of the sector’s income from government,

rising from 12% in 2009/10 to 16% in 2015/16. £2.5bn (27%) of their income came from government in 2015/16 an increase of £0.6bn since 2009/10. In comparison, other charities are still more reliant on income from government, which accounts for a third (33%) of their income.

However, further analysis suggests that this overall increase hides significant differences by subsector: Between 2013/14 and 2015/16, income from government increased by 72% for super-major charities in the international subsector, while the total for charities in other subsectors decreased by 5%.

**Figure 6: Income from government for super-major charities and as a percentage of total government income to the sector, 2009/10-2015/16 (£bn, %, 2015/16 prices)**

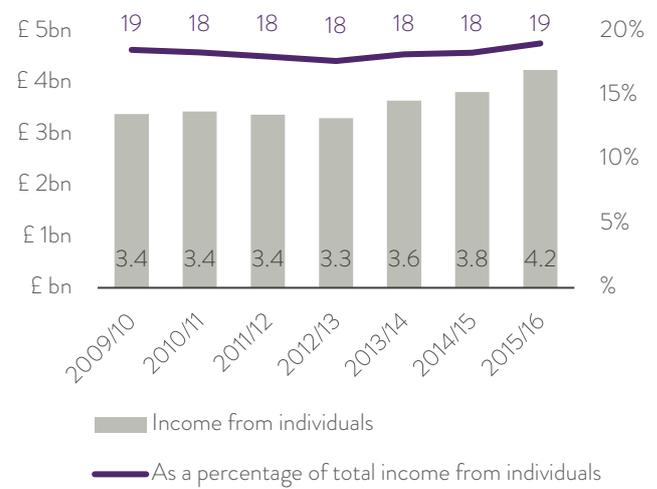


Super-major charities receive a greater proportion of the sector's income from government grants (27%) than government contracts (13%). It is also worth noting that 40% of super-major charities' government grant income comes from international governments.

**Super-major organisations' share of income from individuals has been stable**

Super-major charities receive £4.2bn from individuals, which amounts to 45% of their total income. They get just under a fifth of the sector's total income from individuals, similar to their share of overall sector income. Their share of income from individuals has remained largely static since 2009/10.

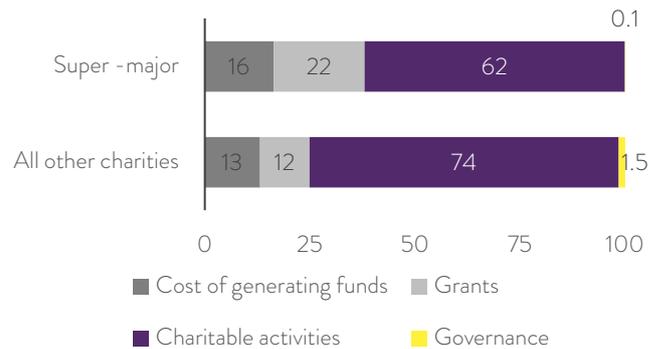
**Figure 7: Income from individuals for super-major charities and as a percentage of total income from individuals to the sector, 2009/10-2015/16 (£bn, %, 2015/16 prices)**



**Super-major charities account for a large proportion of the sector's grant making**

Super-major charities account for a third (33%) of the sector's spending on grants which are distributed to other voluntary organisations, but also to individuals, universities and government bodies. Nine of the ten largest grant-makers in the sector are super-major charities.

**Figure 8: Spending by type for super-major charities and all other charities, 2015/16 (%)**



The largest grant-maker is The Wellcome Trust, which spends £801m on grants, followed by Cancer Research which spends £279m.

It is worth noting, however, that some of super-major charities' grant making is distributed to other super-major charities. For example, Cancer Research UK provides funding to The Francis Crick Institute and the

The Save the Children Fund's provides funding to to Save the Children International.

**Most of super-major charities' spending is on charitable activities**

84% of super-major charities' spending goes towards achieving their charitable aims, almost the same proportion as all other charities (86%), however more of this comes from grant making (22% and 14% of total spending respectively).

**Super-major charities hold a significant proportion of the sector's assets**

Super-major charities' net total assets are worth £27.8bn, which represents almost a quarter (23%) of the sector's net total assets, comparable to their share of the sector's total income (20%). However, the assets held by super-major charities are not evenly distributed – 61% of all assets held by super-major charities are owned by the Wellcome Trust, which provides funding for medical research. Super-major charities hold a higher percentage of the sector's total fixed assets (28%), such as buildings and investments, than current assets (15%), such as cash and stocks of unsold goods.

Super-major charities also hold 41% of the sector's total liabilities. Almost 60% of their liabilities are long-term, which includes pension liabilities. Super-major charities hold 43% (£0.9bn) of the sector's total pension liabilities (£2bn).

**Figure 9: Super-major charities' assets and liabilities as a proportion of the sector's assets and liabilities, 2015/16 (%)**



## Which charities have grown the most, and how?

As well as looking at aggregate financial information for super-major charities, we also analysed income data between 2009/10 and 2015/16 for each organisation, to assess which charities had experienced the biggest increases in income and what contributed to this growth. However we also acknowledge that nine super-major charities have experienced decreases in income of 10% or more over this period.

The table presents each charity with an income over £100m in 2015/16, and includes:

- Total income in 2009/10 (or 2012/13 if registered in this year)
- Total income in 2015/16
- Actual change in income
- Percentage change in income

The table is ordered by the percentage increase in income, all actual values are converted to April 2015/16 prices. One charity, The Power to Change Trust, is not included in this table as it was only formed in 2015.

**Table 3: Super-major charities' change in income between 2009/10 - 2015/16 (£m and %)**

Charity	Income 2009/10 (£m)	Income 2015/16 (£m)	Change (£m)	Percentage change (%)
<b>Top ten</b>				
Save the Children International	8.3	807	798.7	9584%
The Francis Crick Institute <sup>6</sup>	3.5 <sup>7</sup>	148.6	145.1	4095%
International Rescue Committee (UK)	45.4	125.1	79.7	175%
The Children's Investment Fund Foundation (UK)	67.8	159.1	91.3	134%
Change, Grow, Live	67.6	158.3	90.7	134%
The Save the Children Fund	205.5	393.8	188.3	92%
Marie Stopes International	145.5	269.1	123.6	85%
Sightsavers	120.5	200.4	79.9	66%
Wellcome Trust	263.5	436.2	172.7	66%
The Royal National Theatre	77.6	121.7	44.1	57%
Macmillan Cancer Support	148.4	232.6	84.2	57%
Islamic Relief Worldwide	69.9	106.7	36.8	53%
Canal & River Trust	128.1 <sup>8</sup>	183.0	54.9	43%

<sup>6</sup> As shown the top two charities, Save The Children International and The Francis Crick Institute, have seen a remarkable percentage increase in their income. For Save the Children this is due to a global strategy in which they transferred funds held internationally to a UK entity. This was set out as a long-term plan with 2012 being the final year of a three-year transition. In the case of The Francis Crick Institute, registered as charity in 2011 to undertake

biomedical research, the vast majority of its increase in income came from the voluntary sector in the form of funding from its founding members, including two other super-major charities: Cancer Research UK and the Wellcome Trust.

<sup>7</sup> Did not exist in 2009/10, data displayed is from 2012/13

<sup>8</sup> Did not exist in 2009/10, data displayed is from 2012/13

Citizens Advice	76.7	108.6	31.9	42%
Genome Research	116.8	157.6	40.8	35%
Unicef UK	79.0	101.8	22.8	29%
The British Red Cross Society	218.9	270.8	51.9	24%
The Salvation Army	170.2	209.0	38.8	23%
Royal Opera House	119.3	142.5	23.2	19%
British Heart Foundation	251.4	298.0	46.6	19%
St Andrew's Healthcare	181.7	199.0	17.3	10%
Oxfam	374.0	408.0	34.0	9%
The National Trust	482.1	522.8	40.7	8%
Barnardo's	275.6	298.7	23.1	8%
The Royal British Legion	151.8	162.5	10.7	7%
The Orders of St John Care Trust	103.5	110.6	7.1	7%
Cancer Research UK	605.6	631.0	25.4	4%
St John Ambulance	98.8	101.0	2.2	2%
Marie Curie	154.6	156.2	1.6	1%
The Salvation Army Social Work Trust	112.4	108.8	-3.6	-3%
Community Integrated Care	111.3	107.0	-4.3	-4%
Royal Society for the Protection of Birds	143.4	137.0	-6.4	-4%
The Shaw Trust	113.7	107.2	-6.5	-6%
The Royal National Lifeboat Institution (RNLI)	201.9	183.9	-18.0	-9%
Comic Relief	118.8	106.8	-12.0	-10%
Age UK	189.0	168.1	-20.9	-11%
Leonard Cheshire Disability	181.4	159.1	-22.3	-12%
Christian Aid	123.0	107.0	-16.0	-13%
Royal Mencap Society	228.4	191.3	-37.1	-16%
Royal Society for the Prevention of Cruelty to Animals (RSPCA)	155.4	125.7	-29.7	-19%
The National Society for the Prevention of Cruelty to Children (NSPCC)	179.0	128.9	-50.1	-28%
The Royal National Institute of Blind People (RNIB)	158.9	114.5	-44.4	-28%
Action for Children	228.9	160.9	-68.1	-30%

## Understanding what has driven growth in income

To understand what contributed to increases in income among super-major charities, we looked more closely at changes in income sources of the ten charities with the largest increases between 2009/10 and 2015/16. The classification of income sources is based on the NCVO Civil Society Almanac and distinguishes between government, individuals, private sector, voluntary sector, investments and the National Lottery<sup>9</sup>. By comparing income streams from 2009/10 (or 2012/13 in the case of the Francis Crick Institute) to 2015/16, we can understand which sources of income have contributed the most to the overall growth of these organisations.

The table below gives an overview of the top ten charities and their change in total income and by income source over time.

The following sections present key themes that emerged from a more detailed analysis.

## There are a variety of models and strategies

Looking at how those charities have grown shows that there is a large variety of funding models and strategies. Some super-major charities have grown primarily due to increases in one major income source whereas others have seen more diversified growth among different income sources. Their financial accounts and annual reports also provided more context as to where organisations position themselves and how they planned and plan to increase funding.

Some charities, for example Change Grow Live (a charity providing a range of services including health and wellbeing, criminal justice, and homelessness), predominantly focus on service delivery which is funded through contracts. Their strategy involves adapting to a changing commissioning environment by broadening the service offer and growing regional reach to support growth.

In comparison, Save the Children Fund have focused on diversifying their income by securing continued

**Table 1: Change in income and income source for top ten super-major charities, 2009/10 - 2015/16 (£m)**

Name	Government	Individuals	Investments	National Lottery	Private sector	Voluntary sector	Total
Change, Grow, Live	90.7	0.1	-0.1	0.0	0.0	0.0	90.7
Children's Investment Fund	-1.8	3.3	112.9	0.0	-23.1	0.0	91.3
Francis Crick Institute	12.2	15.4	90.9 <sup>10</sup>	NA	0.1	26.5	145.1
International Rescue Committee (UK)	78.7	1.6	0.0	-0.2	0.0	-0.3	79.7
Marie Stopes	82.5	52.5	-0.3	0.0	7.1	-18.1	123.6
Sightsavers	17.4	1.9	-0.1	0.0	134.8	-73.9	79.9
Royal National Theatre	-3.5	-2.3	-0.1	0.0	50.9	-0.7	44.2
Save the Children International	126.4	7.8	0.1	NA	-3.8	668.2	798.7
Save the Children Fund	120.0	48.8	2.9	-4.6	32.7	-11.6	188.2
Wellcome Trust	17.1	37.0 <sup>11</sup>	86.4	0.0	32.2	NA	172.7

<sup>9</sup> Note on classification: Our classifications are limited to information we can find in charities' financial accounts, which vary in how detailed breakdowns are and how much further information is provided. Therefore, some charities mentioned in this briefing may feel our classification does not reflect their income streams accurately.

<sup>10</sup> Based on classifying 'Core funding from founding shareholders' as investment income but could have been classified as voluntary income.

<sup>11</sup> Based on classifying Wellcome Trust's acquisition of Co-op's farming business Farmcare in 2014 as income from individuals but could have been classified under private sector.

funding from government, increasing donations and engaging in more strategic partnerships with organisations in different sectors. They reported successfully using technology (like text messaging) and media partners to drive increases in donations, especially around emergency appeals.

Some charities like the Wellcome Trust or the Children Investment Fund Foundation are largely reliant on investment income, and have focused on growing and diversifying their investment portfolio to ensure greater sustainability.

Other charities have made strategic decisions to centralise the programmes of their members, like Save the Children International, or had large organisations and institutions behind them providing financial support and supporting growth, like the Francis Crick Institute which is a partnership between Cancer Research UK, Imperial College London, King's College London, the Medical Research Council, University College London and the Wellcome Trust.

### **Government funding has been an important driver of growth for some**

Growth in income for four organisations is largely due to an increase in government funding. And for some of those, the growth they experienced is almost exclusively linked to a growth in government funding. This is true for Change Grow Live and the International Rescue Committee where the increase in government funding accounts for almost all their total income growth. This reflects the make-up of these organisations' income. Both generated more than 97% of their income from government in 2015/16 and this is almost unchanged from 2009/10. While contracts with local and national government account for most of the funding for Change Grow Live, IRC receives grants and contracts from a number of other governmental sources including foreign, international and local

governments as well as European and international government agencies.

For other charities, increases in government funding were important but not the only income source driving the overall growth. In the cases of the Save the Children Fund and Marie Stopes International, increased government funding accounted for about two-thirds of their total increases in income. However, both of these organisations also rely on income from other sources, including from individuals, the private sector, and the voluntary sector, which supported overall growth.

Among the top ten charities we have analysed, there were only two charities that saw a decrease in income from government between 2009/10 and 2015/16. This is despite income from government decreasing in the voluntary sector as a whole from £16bn to £15.3bn between 2009/10 and 2015/16.<sup>12</sup> Only charities with an income over £10m saw an increase in their government income over this period.<sup>13</sup>

### **Foreign and international governments and agencies are major contributors**

Among the 10 charities which saw the biggest growth in income, six have an international focus<sup>14</sup>. Increases in income from government account for the largest proportion of their overall increases for most of them (4). Although income from the UK central government, in particular the Department for International Development (DfID), plays a crucial role in funding some of those charities like the International Rescue Committee, funding from foreign governments and international government agencies, including from the EU, has further supported overall income growth. For example, Marie Stopes International almost doubled the amount of income they received from the EU, foreign governments and international agencies, from £24.3m in 2009/10 to £44.7m in 2015/16. This

<sup>12</sup> NCVO Almanac, 2018

<sup>13</sup> NCVO Almanac, 2018

<sup>14</sup> International Rescue Committee, The Save the Children Fund, Marie Stopes International, Sightsavers, Save the Children International, Children's Investment Fund Foundation

accounts for 17% of their total increase in income over this period.

### **Some charities experienced most of their increase through investments**

For two charities, increased investment income accounted for most of the increases in total income: the Children's Investment Fund and the Wellcome Trust. Both of these organisations are charitable foundations set up to fund and support charitable programmes and organisations around the globe. As such, they are largely dependent on investment income and increases in investment income have mainly come from dividends. Between 2009/10 and 2015/16, investment income accounted for most of the Wellcome Trust's income, however in recent years they have further diversified their income streams. While in 2009/10, income from investments made up 96% of their income, this decreased to 78% in 2015/16 due to increases in earned income from individuals and voluntary income from government grants. Over the same period, investment income as proportion of the total income increased for the Children's Investment Fund from 63% in 2009/10 to 98% in 2015/16. This is due to a significant increase in the charity's endowment funds over the last decade.

### **Income from individuals is not a major factor in most increases**

Income from individuals has been important but was not the main factor in driving income growth among most of the super-major charities with the largest growth between 2009/10 and 2015/16. This is despite income from individuals increasing steadily between 2009/10 and 2015/16 for the voluntary sector as a whole, from £18.3bn to £22.3bn.<sup>15</sup>

However, two charities experienced a significant increase in income from individuals supporting their overall growth: Marie Stopes International and the Save the Children Fund. They both receive funding from individuals in various forms but mainly through donations, legacies, donations of goods and services,

and through fundraising activities. While the Save the Children Fund experienced an increase in income from individuals proportionate to their overall income growth, Marie Stopes International saw a significant rise in income from individuals: in 2009/10 it made up 1% of their total income which increased to 20% in 2015/16.

For five charities, increases in income from individuals represents less than 5% of their total increases in income: Change, Grow, Live, Save the Children International, Sightsavers, the International Rescue Committee and the Children's Investment Fund.

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<sup>15</sup> NCVO Almanac, 2018

## Conclusion

The 45 charities with an income of £100m and over are an important feature of the voluntary sector in the UK. Many are long-established household-name charities. Although they are small in number, they account for a significant proportion of the voluntary sector's income (19%) and assets (23%). In recent years, super-major charities have grown in both number and income. They have received a growing proportion of the sector's total income and income from government since 2012/13.

Super-major charities share some broad similarities with other charities. They receive similar proportions of their income from individuals, investments and the private sector. Like other charities individuals are their largest income source. They also spend a similar proportion of their income on charitable activities, although super-major charities are more likely to do this through grant making.

However, super-major charities also diverge from other charities. They are less reliant on government for their income and receive a greater proportion of their income from the voluntary sector than other charities. They are also much more likely than other charities to have a national or international presence, although many will also operate locally. Super-major charities are less evenly represented among different subsectors than other charities, with the largest charities concentrated in areas such as the social services, medical research, health and international subsectors.

Charities that have seen the largest increases in income since 2009/10 have used a variety of strategies to develop and remain financially sustainable. While some have prioritised one income source, others have diversified their income streams. Income from government (including international governments), and investments have been particularly important for these charities, more so than income from individuals, which has not been a factor in explaining growth in most cases.

John Davies and Lisa Hornung

### NCVO research

The research team at NCVO exists to inform and shape policy agendas about the current and future strategic challenges facing the sector, and to improve practice development and decision-making.

We produce, share and communicate research findings for the benefit of NCVO, its members and the wider voluntary sector.

## Further Sources

[UK Civil Society Almanac](#), NCVO, 2018

[Foundation Giving Trends 2018](#), ACF, 2018

## Glossary

### Subsectors

- Culture and recreation
- Development
- Education
- Employment and training
- Environment
- Grant-making foundations
- Health
- Housing
- International
- Law and advocacy
- Parent Teacher Associations
- Playgroups and nurseries
- Religion
- Research
- Scout groups and youth clubs
- Social services
- Umbrella bodies
- Village Hall

### Income sources

The source of income describes who has provided the income:

- **Individuals** including the general public, high net worth donors and legacies. It is important to note that income from individuals can be in the form of donations or as fees for a service or product.
- **Government** including UK central government departments, local authorities, non-departmental public bodies, the NHS and other government bodies. It also includes overseas governments and supranational and international bodies such as the EU, UN and World Bank. Income can come as grants (voluntary income) or contracts and fees for provision of a service (earned income).
- **Voluntary sector** including grants from foundations and earned income from other voluntary organisations.

- **Corporate/business sector** including grants from businesses and any contracts with businesses to provide a service.
- **National Lottery** including grants from any of the UK's national lottery distribution bodies – notably the Big Lottery Fund, Arts Council and Heritage Lottery Fund.
- **Investment income** is received as a return on investment assets – property, stocks and shares or other similar assets.

### Income types

Income type describes how the income is received:

- **Voluntary income** is given freely by a donor (whether an individual, foundation, government or a company).
- **Earned income** is received in return for providing a service. This service, provided by the charity, can either be in furtherance of the charity's objects, or purely carried out to raise income. For income from the government this would include contracts, for individuals it would consist of fees for services.
- **Investment income** is received as a return on investment assets – property, stocks and shares or other similar assets.

### Income from individuals

Income from individuals is split into four types:

- **Fees for services.** Income earned through charities providing charitable services – examples include tuition fees for training, micro-credit schemes, selling equipment and services.
- **Fundraising.** Earned income from providing other services. Examples include the selling of goods in a charity shop.
- **Donations.** Income given freely by individuals, mainly charitable donations.
- **Legacies.** An amount of money or property left to someone in a will.