

## August 2016

Angela Kail, Rachel Wharton and David Bull

In April 2016 we published [School report: How can charities work best in the school system?](#) where we argued that charities have a vital role to play in improving educational, emotional and social outcomes for children and young people by working with schools. The report also highlighted that schools are facing a real-terms budget cut of 8% between 2015 and 2020. This means schools will have to do more with less, making work with charities even more important.

While working on *School report* we noticed that, in terms of charitable donations from the public, education is a relatively forgotten issue. This is reflected in the fact that not a single education charity makes it into [the top ten of YouGov's 2015 annual charity brand index](#)—suggesting that public awareness of charities working in the education sector is low.<sup>1</sup> The issue is most likely overlooked because the state is viewed as responsible for providing a good education, and people do not realise that charities work extensively in this area.

This throws up an interesting comparison with health charities. Like education, health in this country is seen as primarily being the responsibility of the state. Yet many health charities are household names, and Macmillan, British Heart Foundation, and Alzheimer's Society all made the top ten of YouGov's charity brands index. To investigate this further, we decided to take the voluntary income<sup>2</sup> received by the UK's 20 biggest<sup>3</sup> health charities and compare it with the income of the 20 biggest<sup>4</sup> education charities.<sup>5</sup>

Our findings showed that the difference in size between the top charities in health and those in education is vast—as seen in Figure 1 overleaf.<sup>6</sup> Not only are the top 20 health charities getting over 40 times as much voluntary income, they are also more than three times bigger overall. This reflects the disparity in brand awareness: even some of the largest education charities—such as Ruskin Mill Trust or the Pre-School Learning Alliance—are not well-known, while large health charities include household names like Sue Ryder and Macmillan.

This disparity in income and public giving between the two sectors does not seem to be in line with what the public care about. When asked what they consider to be the most important issues facing Britain today, education is high on many people's list, with 18% of the public mentioning it.<sup>7</sup> While this is not as high as healthcare at 33%<sup>8</sup>, it still does not appear to account for the difference in funding.

<sup>1</sup> YouGov 2015 Charity Index rankings <https://yougov.co.uk/news/2016/02/01/macmillan-cancer-support-tops-yougovs-2015-charity/>

<sup>2</sup> Voluntary income means gifts, donations and legacies from the public and grants from government and other charitable foundations which provide core funding or are of a general nature.

<sup>3</sup> By income.

<sup>4</sup> By income.

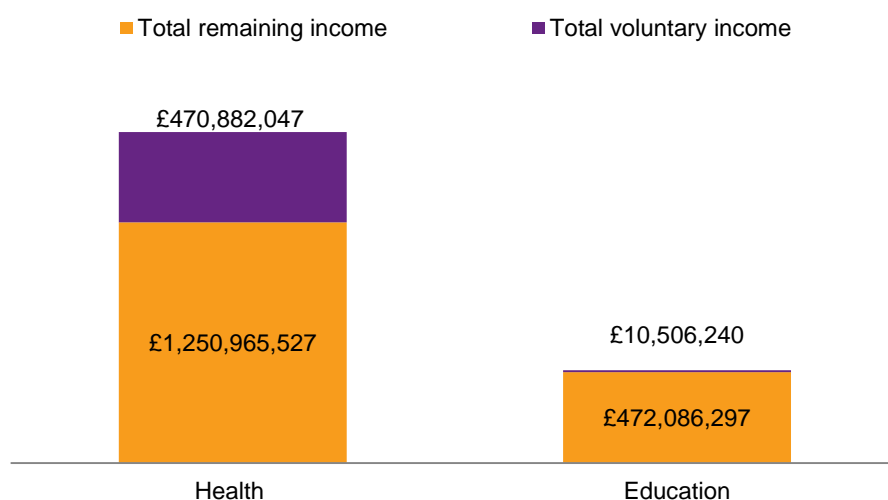
<sup>5</sup> The data analysed was Charity Commission data extract February 2016 (<http://data.charitycommission.gov.uk/>). All organisations analysed were main charities (ie, not subsidiaries). We included all organisations classified by NCVO as 'health' and as 'education' organisations, according to their INCP0 classifications. Only charities which fit NCVO's 'general charities' category are included. The self classifications in charity's annual returns were not used to identify health and education charities. This is because charities can tick multiple boxes (eg, both health and education) and many charities tick all or none of these boxes.

<sup>6</sup> We removed schools and universities from our analysis as we wanted to focus on charities working in education, not the institutions through which education is administered. As we had removed schools and universities from our analysis we also removed hospitals and NHS Trusts from our health data. There are some schools and universities which do receive money from the public.

<sup>7</sup> Economist/Ipsos Mori May 2016 Issues Index <https://www.ipsos-mori.com/researchpublications/researcharchive/3736/Economist-Ipsos-MORI-May-2016-Issues-Index.aspx>

<sup>8</sup> *ibid*

Figure 1: Income comparison of the top 20 health and education charities



Source: NPC analysis of 2016 [Charity Commission data](#). Full data tables are available on page three.

In both areas the state is providing resource, but one receives far more voluntary income than the other. For example, care provided by the state is supplemented by care from charities like Macmillan, which raises £188m<sup>9</sup> from the general public to support this. In contrast we have charities like the Pre-School Learning Alliance in the education sector, which raises only £133,000 of its income from voluntary sources<sup>10</sup>. A closer look reveals that Macmillan and the Pre-School Learning Alliance engage in and deliver similar types of activity, though at a vastly different scale. They both offer information and advice, produce specialist information, develop and run learning and training schemes, and campaign to influence policy and practice. The main difference in activity-type is that Macmillan fund a professional workforce and the Pre-School Learning Alliance does not. Despite the similarities in activity-type, much less money goes to the Pre-School Learning Alliance from the general public.

Raising little money from the public not only means less funding goes into this sector, but also reduces the voice of the charities working in the area. Charities are a means of representing beneficiaries, and as *School report* highlighted, in some areas the voices of parents and of children are not as loud as those with vested interests such as teachers. Voluntary donations and grants give charities the freedom to campaign and raise awareness of issues. The lack of large, visible charities that can campaign and bring issues to into the public's consciousness may be holding education back in this country.

By highlighting this issue we hope to provoke a discussion. We are not saying we should all stop giving to health charities and start giving to education charities, but it is important to be aware that there are significant disparities in our giving. The result is that education charities are much smaller and find it much harder to play a representative role. Is it time for a disruptive force in the education charity sector? Could there be a role here for a digital solution that helps education charities fundraise from a wider group? Or do we need a new entrant that focuses less on service delivery and more on raising issues in the public mind and fundraising on behalf of the sector?

If you have any thoughts on the above questions, the contents of this paper, or any other insights you'd like to share on this topic, please get in touch with Rachel Wharton [Rachel.Wharton@thinkNPC.org](mailto:Rachel.Wharton@thinkNPC.org).

<sup>9</sup> This figure excludes grant income, income from trading activities, trusts and corporate income and income from donated services and facilities. <http://www.macmillan.org.uk/about-us/what-we-do/our-annual-report-and-accounts/how-we-raise-and-spend-our-money.html#289251>

<sup>10</sup> Pre-School Learning Alliance 2014 Accounts. [https://www-new.pre-school.org.uk/sites/default/files/annual\\_accounts\\_2014.pdf](https://www-new.pre-school.org.uk/sites/default/files/annual_accounts_2014.pdf)

## APPENDIX: DATA TABLES

Table 1: Top 20 health charities by income

Charity name	Total income (£)	Total voluntary income (£)
Marie Stopes International	242,004,000	7,325,000
Macmillan Cancer Support	218,430,000	214,122,000
St Andrew's Healthcare	189,400,000	20,000
Marie Curie	154,805,000	91,099,000
Community Integrated Care	99,743,000	31,000
The Orders of St John Care Trust	99,573,000	5,000
The priory of England and the Islands of the most venerable order of the hospital of St John of Jerusalem	99,300,000	13,700,000
Sue Ryder	90,347,000	13,202,000
Alzheimer's Society	84,437,000	45,028,000
The Royal Star & Garter Homes	67,642,000	8,355,000
Hospice UK	66,533,000	5,860,000
National Schizophrenia Fellowship	48,475,309	1,654,568
Anthony Nolan	44,688,000	7,863,000
Help for Heroes	37,212,000	26,029,000
Mind (the national association for mental health)	33,655,000	7,993,000
Royal Hospital for Neuro-disability	31,867,000	2,084,000
The Gloucestershire Care Partnership	30,722,000	0
British Pregnancy Advisory Service	28,200,000	104,000
Milestones Trust	27,527,262	195,223
Amanat Charity Trust	27,287,003	26,212,256

Table 2: Top 20 education charities by income

Charity name	Total income (£)	Total voluntary income (£)
Aqa Education	144,511,000	0
Wjec CbacLimited	39,312,000	25,000
Pre-School Learning Alliance	36,110,000	134,000
The Universities and Colleges Admissions Service	32,495,606	0
London Grid for Learning Trust	26,842,008	0
Ruskin Mill Trust Limited	20,900,684	1,950,596
Ncfe	19,355,000	0
International Baccalaureate Organization (UK) Limited	18,821,600	0
The Higher Education Academy	18,544,000	0
Buckinghamshire Learning Trust	15,814,434	1,816,741
The Quality Assurance Agency for Higher Education	15,279,697	0
Prospects for People with Learning Disabilities	12,424,189	327,129
South West Grid for Learning Trust	11,676,983	0
People in Action	10,926,126	67,008
Rochdale Boroughwide Cultural Trust	10,636,314	761,236
Eurocentres UK	10,298,267	2,057,853
Ambitious about Autism	10,000,419	2,269,677
Llamau Limited	9,980,210	0
The National Institute of Adult Continuing Education (England and Wales)	9,828,000	0
Dyslexia Institute Limited	8,836,000	1,097,000

## TRANSFORMING THE CHARITY SECTOR

NPC is a charity think tank and consultancy which occupies a unique position at the nexus between charities and funders, helping them achieve the greatest impact. We are driven by the values and mission of the charity sector, to which we bring the rigour, clarity and analysis needed to better achieve the outcomes we all seek. We also share the motivations and passion of funders, to which we bring our expertise, experience and track record of success.

**Increasing the impact of charities:** NPC exists to make charities and social enterprises more successful in achieving their missions. Through rigorous analysis, practical advice and innovative thinking, we make charities' money and energy go further, and help them to achieve the greatest impact.

**Increasing the impact of funders:** NPC's role is to make funders more successful too. We share the passion funders have for helping charities and changing people's lives. We understand their motivations and their objectives, and we know that giving is more rewarding if it achieves the greatest impact it can.

**Strengthening the partnership between charities and funders:** NPC's mission is also to bring the two sides of the funding equation together, improving understanding and enhancing their combined impact. We can help funders and those they fund to connect and transform the way they work together to achieve their vision.

**New Philanthropy Capital**

185 Park Street, London SE1 9BL

020 7620 4850

[info@thinkNPC.org](mailto:info@thinkNPC.org)

[@NPCthinks](https://www.instagram.com/NPCthinks)

Registered charity No 1091450

A company limited by guarantee

Registered in England and Wales No 4244715

[www.thinkNPC.org](http://www.thinkNPC.org)