

TRUST WOMEN

CHRISTOPHER CARNIE, FACTORY, 31 AUGUST 2015

INTRODUCTION

Why are there so few women on the boards of UK grant-making trusts?

The equivalent question has been asked many times about companies. The European Commission proposedⁱ, November 2012, a mandatory quota of 40% representation for men and women in non-exec board positions, and there are a range of initiatives including BoardWatch (www.boardsforum.co.uk), Women on Boards (<http://www.2020wob.com/>) and Catalyst (<http://www.catalyst.org>) pressing for greater representation on corporate boards.

But what about philanthropy?

We started analysing this question when we noticed patterns – see “**The Token Woman**” below – in newly-created trusts. We used our New Trust Update database to find out about women leading new philanthropies in the England and Wales.

THE FACTORY LTD, BRUNSWICK COURT, BRUNSWICK SQUARE, BRISTOL BS2 8PE

Tel - +44 117 916 6740, Fax - +44117 916 6741

web: www.factory.com email: chris@factory.com

REGISTERED IN ENGLAND: 3044292 VAT NUMBER: GB 650 5952 31

THE DATA

New Trust Update (<http://factory.com/what-we-do/new-trust-update/>) is the Factory's monthly publication on newly created grant-making trusts. In the research for each month's edition, we review all of the newly created charitable trusts registered at the Charity Commission, covering England and Wales. Trusts in Scotland, registered at OSCR the Scottish Charity Register, are not included. We identify those with a principally grant-making purpose and research each trust in detail to establish their objectives and to identify their trustees. The data series goes back to 2005 and up to the present day. Over that period we have reported on 2,312 new grant-makers.

THE FOUNDATION WORD

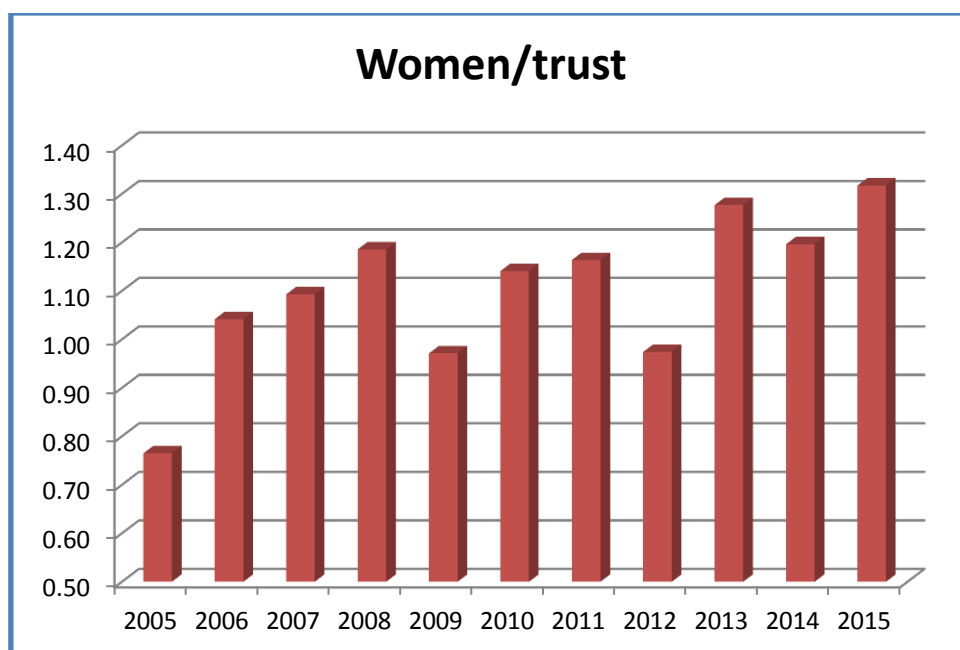
In English law there is no distinction between a charitable trust set up to raise funds (for example, Oxfam) and a charitable trust set up to make grants (for example, The Wolfson Foundation). At Factory we research trusts to identify trusts that are principally grant-makers – the equivalent in US English to a “foundation” – and those that are principally a fundraiser. The distinction can be subtle, but each month we allocate trusts to one or other group. New Trust Update, and thus this research, focuses on the grant-makers – broadly equivalent to US foundations.

FINDINGS

THE TOKEN WOMAN

Amongst the 2,312 grant-making trusts in the data set, there are 2,530 women board members – an average of 1.09 women per trust. She is the **token woman**.

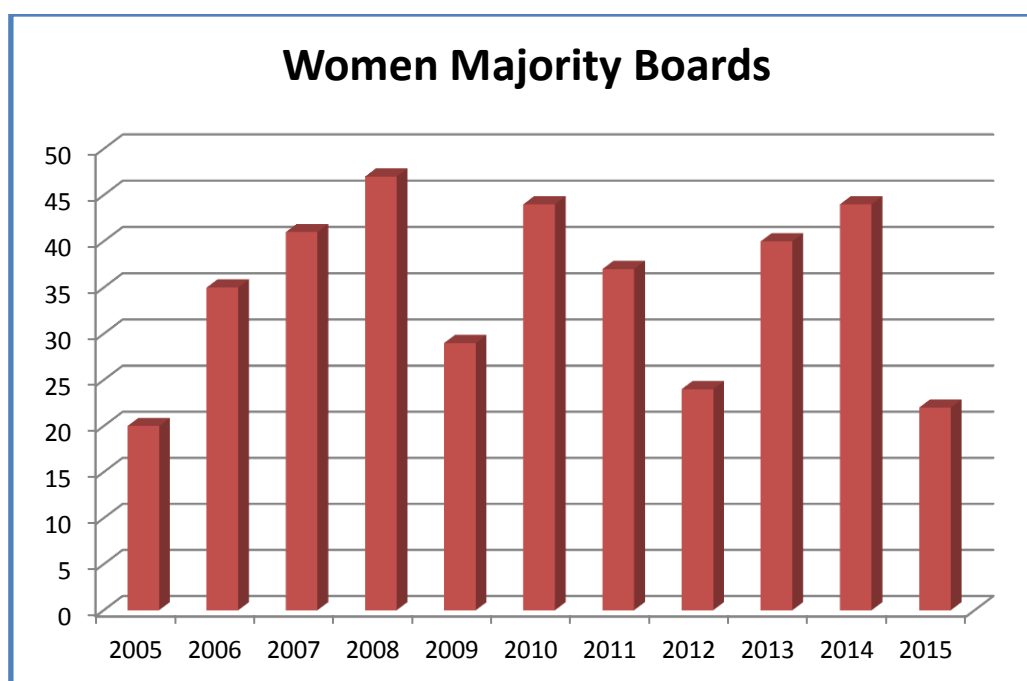
After an initial increase in the numbers of women on boards during 2005-8, this situation has hardly changed, with the numbers always fluctuating around one woman per trust.



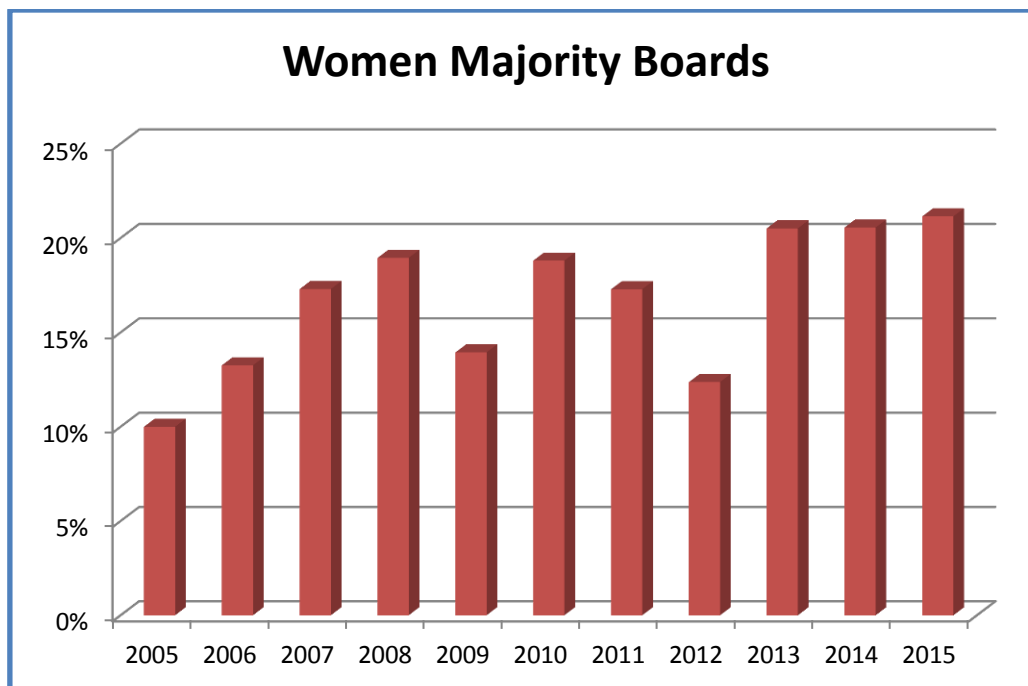
WOMEN IN THE MAJORITY

Grant-making trusts are not democratic structures. Many are established by a man with one or two women (a spouse, and a daughter) as trustees. It is not clear whether wife and daughter will be in charge of the trust - but we can at least identify those trusts where women form the majority of board members.

Just one trust in six was created with women in the majority on the board – 383 (16.6%) of the 2,312 trusts in the data set. The numbers of women majority boards has increased over the study period from 20 in 2005 to 44 in 2014 (2015 is shown as a part year) but there is no clear pattern to the data:



The figures expressed as percentages are slightly more hopeful. Here we can see that for the last three years (2013, 2014 and the part year 2015) one new grant-making trust in five now has board comprised mainly of women:



ALL-WOMEN BOARDS

The number of grant-making trusts that are registered with an all-women board is vanishingly small – just 42 of the 2,312 trusts in the data set. This number fluctuates between two and six new trusts each year but shows no clear pattern.

ALL-MEN BOARDS

By contrast, 686 (29.7%) of the grant-making trusts registered in England in Wales between 2005-15 had boards comprised solely of men. For a comparison with business, just 8% of FTSE 250 companiesⁱⁱ and 3.6% of S&P 500 companiesⁱⁱⁱ had men-only boards in 2014.

AREAS OF INTEREST

Factory codes new grant-making trusts according to their areas of interest. Organisations often have multiple interests (education and environment, for example), so we have analysed each area of interest to determine data on women's representation on the board of trusts at the time of registration.

Area of Interest	Average Number of women board members
Women	1.87
Children & Youth	1.26
Arts/Culture/Sport & Recreation	1.17
Elderly	1.14
Health	1.13
Education & Training	1.11
Rights/Law & Conflict	1.11
Development Housing & Unemployment	1.10
General Charitable Purposes	1.08
Environment & Animals	1.07
Religious Activities	0.96

Not surprisingly, trusts that include "Women" amongst their areas of interest have slightly larger numbers of women board members. The numbers of such trusts is small – we identified just 38 trusts that specifically include women as an area of interest.

CAPITAL WOMEN

The start-up capital to create a trust can be tiny – as low as £10 - and is often not reported in foundation documents. This is not, therefore, data on which too many conclusions should be drawn.

We analysed trusts that reported a start-up capital and compared those with women majority boards against the rest. Trusts with a majority of women on the board at registration had an average start-up capital of £116,934. That

was just under half the average start-up capital of all trusts - £333,471. This may indicate that trusts led by women are smaller, or at least less well capitalised at start up, but we would have to do much more research to establish whether this is the case.

WHY SO FEW WOMEN?

Why are so few women joining, or leading, the boards of new grant-making trusts in England and Wales? What are the barriers?

There are potentially many explanations. Here are two of the most obvious:

MEN HAVE THE MONEY

Analysing Factory data on UK wealth lists published over the last 10 years we found 13, 852 men, and 2,489 women. Women, according to the published wealth lists (and we are fully aware of the limitations of this type of source) represent just 18% of wealth holders in the UK.

Previous Factory analyses^v of Ultra High Net Worth Individuals (UHNWIs) and High Net Worth Individuals (HNWIs) who have founded grant-making trusts and foundations show a similar pattern for wealth and philanthropy; in 2014 and 2013, 93% of UHNWIs/HNWIs creating grant-making trusts were men. Our 2013 review of the boards of venture philanthropy funds in the UK^v similarly showed under-representation by women; just 27% of board members were women.

Men still control the money in the UK, and this is likely to have an influence on the proportions of new trusts created by women.

MEN NAME THEIR PHILANTHROPY

Is there a question of recognition, of coming out as a philanthropist with your own trust or foundation? In the USA, studies have noted differences in the need for recognition: "*Women donors...want to see the results of their giving*"

more than the recognition that accompanies it" according to a consultant quoted in "Women & Philanthropy"^{vi}.

This appears to be confirmed by data from Factory Phi (<http://factory.com/what-we-do/factory-phi/>) . The Factory Phi dataset focuses on donors to UK non-profits. It currently holds more than 500,000 records of donations reported in the public domain. These are donations where the donor has chosen to allow her or his name to be listed in public (typically, in a non-profit's annual report or website). Around half of these publicly listed gifts show either an amount or a gift range ("£50,000-£100,000").

We analysed donors who had given £50,000 or more. There are 2,723 individuals recorded in Factory Phi who have made donations at this level. Of these, 2,271 are men (83%) and 452 are women^{vii} (17%).

It is unlikely that only one in every six high-end philanthropists in the UK is a woman. We suspect that women are less willing to have their donation named or listed in public.

Setting up a grant-making trust is a public act; names and amounts are recorded in the public domain at the Charity Commission. If women are less willing to 'out' their philanthropy then this could be a barrier to the creation of trusts by women.

THE RESULT – LESS MONEY FOR WOMEN AND GIRLS

Our findings reflect one of the few studies that has looked in depth at foundations for women Europe. "**Untapped Potential: European Foundation Funding for Women and Girls**^{viii}", jointly managed by Mama Cash, the European Foundation Centre and the Foundation Center [USA] analysed funding for women and girls, whether or not it was undertaken with a rights-based approach. The study covered 145 foundations from 19 countries. These were substantial foundations, with €9.2 billion in total assets, and including 65 foundations with at least €50 million in assets. The study found that the majority of foundations surveyed (58%) allocated less than 10% of their expenditures in 2009 to programmes benefiting women and girls, including

one quarter that did not designate any funds to programmes to benefit women and girls. It also showed that the median percentage of total grant monies allocated by foundations in support of women and girls was just 4.8%.

CONCLUSIONS

Women are under-represented on grant-making charitable trusts in England and Wales, just as they are under-represented on business boards and in Government. Disappointingly, even in the newest philanthropies we have found that there is an average of just one woman per board, and that just one trust in five has a majority of women on the board.

Possibly the most shocking finding is that almost one third of the newly-created grant-making trusts in England in Wales have boards comprised entirely of men.

This research is being published at a time when many in the non-profit sector, including the largest multinational NGOs, are focusing on women and girls. Women's rights, women's enterprise, women in agriculture are all common themes in the NGO world.

Our formal, structured, grant-making philanthropies are not reflecting that focus. This may be one of the reasons why foundation funding for women and girls is still so hard to find.

RESEARCH LIMITATIONS

This research is based on the data we gathered at the point of registration.

We have allocated people as women and men depending on the title (Mr, Mrs, Lord, Lady...) given in the original trust documents or, where no title is given, but first name. There may be some slight misreporting of women where there is uncertainty over a first name (names such as "Sam") that can apply to men and women, or where only initials are given ("A B Brown") or where there are names whose sex we have not been able to determine. Companies as trustees (Coutts and Co, for example) are treated as men.

FURTHER RESEARCH

Want to know more? All of the research shown here is available to Factory clients who subscribe to our Factory Phi (<http://factory.com/what-we-do/factory-phi/>) or Factory New Trust Update (<http://factory.com/what-we-do/new-trust-update/>) services. Factory Phi is fully searchable, with download options that allow you to review segments of the donor population and carry out analyses.

To find out more contact research@factory.com

ⁱ http://europa.eu/rapid/press-release_IP-12-1205_en.htm

ⁱⁱ 'Professional Boards Forum.' Accessed 1 September 2015.

<http://www.boardsforum.co.uk/boardwatch.html>.

ⁱⁱⁱ 2014 Catalyst Census at <http://www.catalyst.org/knowledge/2014-catalyst-census-women-board-directors>

^{iv} "Foundations of Wealth 2014: A Report on the UK's Newest Philanthropists", Factory, Bristol, April 2015, <http://factory.com/2015/05/the-6-8-billion-recipe-for-philanthropy/>

^v Carnie, Christopher, and Will Whitefield. 'The Venture Philanthropists.' New Trust Update. Bristol, UK: Factory, November 2013. <http://factory.com/2013/11/venture-philanthropists-uk/>.

vi Shaw-Hardy, Sondra C., Martha A. Taylor, and Buffy Beaudoin-Schwartz. *Women and Philanthropy: Boldly Shaping a Better World*. 1st ed. San Francisco: Jossey-Bass, 2010.

vii Our analysis of Factory Phi counted donations by men only, by women only, by men and women together and by families. We counted all the men, and all the women to reach these figures. For comparison, there were 2,000 donations by men only, and 243 by women only, with the rest being combinations.

viii Shah, Seema, Lawrence T McGill, and Karen Weisblatt. *Untapped Potential: European Foundation Funding for Women and Girls*. New York: Foundation Center, 2011. <http://www.mamacash.org/publications/report-untapped-potential/>.