PRESS RELEASE

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New research questions Tesco-isation of the charity sector

New research from the Third Sector Research Centre and Centre for Charitable Giving and Philanthropy challenges the belief that the biggest charities are becoming increasingly dominant.

Over the past decade, the charity sector has grown substantially in terms of income and number of charities. Yet there is a perception amongst many that the largest charities are capturing an ever-increasing share of the pie. This new research indicates that the picture is far more complex.

Whilst the very smallest charities may not have grown as much as the rest of the sector, evidence suggests that the income gap between medium and large charities has fallen.

In 1995 the largest 1% of charities captured 62.1% of sector income. This share was essentially identical in 2007. When the increasing number of charities is accounted for, many of which are very small, evidence suggests that charitable income has actually become less concentrated. Furthermore, following the growth of specific organisations across the period shows that the very largest have not necessarily grown at the highest rate.

The picture is complicated when charitable subsectors are considered. Some sectors, such as health, have undoubtedly become more concentrated, whilst others, such as education, have become substantially less concentrated. For the social service sector, which has often been the prime focus of ‘tesco-isation’ claims, research shows that the largest organisations have not grown faster than medium sized ones.

John Mohan, Deputy Director of TSRC, notes that ‘this research challenges misconceptions about the charity sector, which can often lead to negative assumptions about a loss of diversity or dislocation from local communities. Importantly, it also gives policy makers, and others involved in the sector, a more informed idea about the environment they are operating in.’

He added that ‘there are significant subsectoral variations revealed in this analysis, and it is important that policymakers and funders are aware of this diversity of experiences.’
Notes to editors
The Third Sector Research Centre and Centre for Charitable Giving and Philanthropy have produced two research papers analysing trends in charitable income. They use data on the population of registered charities in England and Wales from 1995 to 2007.

This research draws on a unique dataset - by far the largest of its kind - compiled by TSRC-CGAP researchers David Clifford and Peter Backus - drawing on archived and contemporary charity commission registers. It covers around 40 000 charities continuously since the mid-1990s and will provide a platform for substantial analyses of trends in the sector.

Paper 38 addresses the longitudinal perspective, looking at the initial size of organisations and following their growth across the period. Paper 39 is concerned with changes in the cross-sectional distribution, i.e. measuring the share of total charity income held by the largest charities, as defined in a particular year.

Full research papers are available on our website http://www.tsrc.ac.uk/Research/QuantitativeAnalysis/Arebigcharitiesbecomingincreasinglydominant/tabid/679/Default.aspx

About the Third Sector Research Centre
TSRC conducts research on a broad range of issues affecting the voluntary, community and social enterprise sectors. Led by the universities of Birmingham and Southampton, the Centre was established to provide a strong evidence base to inform policy-making and practice. The Centre works in collaboration with the third sector, to ensure its research reflects the realities of those working within it. TSRC is funded by the Economic and Social Research Council, Office for Civil Society and the Barrow Cadbury Trust. More: www.tsrc.org.uk

About the 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 is funded by the ESRC, the Office for Civil Society, the Scottish Government and Carnegie UK Trust. More: www.CGAP.org.uk

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