

## Income from investment assets falls

### *Income from investment assets of major fundraising charities falls by £23 million during the recession*

Is this history? Cathy Pharoah, Professor of Charity Funding at Cass Business School, who led the research, which will be published in Charity Market Monitor in June 2010, points out that this is the background to their current planning and therefore still very relevant for major fundraising charities. Combined with a longer lingering recession for the wider voluntary sector, the impact on confidence generally and attitudes to risk is also significant as we enter a period of funding austerity.

In the first full analysis of charitable income since the start of the recession, new research provides evidence that income from investments for the UK's major fundraising charities fell by £23 million, while investment asset values fell by £1.5 billion. The collective investment fund value of the UK's 500 largest fundraising charities fell by 21.4%, and income from investments dropped by 8.4%.

The table below gives a snapshot of the changing fortunes of the UK's largest fundraising charities which provide many of the vital services on which government and the public rely: a fall in their income could affect services for children, the blind, disability, cancer research and care, benevolent funds and the elderly.

UK's largest 500 fundraising charities	2007/08	2008/09	real change
	£m	£m	%
Income from investments	506.5	483.7	-8.4
Investment funds	8538.2	6991.9	-21.4
Net Assets	19537.9	18282.9	-10.2

Professor Pharoah commented: "Many of the major service-providing charities rely on investment income to provide a cushion, or an independent source of income, against fluctuations in their income from legacies, statutory contracts or shop trading. A fall in the value of their assets makes it much harder for charities to plan future activities or commit to developing much-needed new services."

Charities which saw a fall in the value of their investments in 2008-09 include:

Cancer Research UK (down from £230 million to £154 million)

Royal National Lifeboat Institution (down from £281 million to £221 million)

NSPCC (down from £73 million to £49 million)

The Guide Dogs for the Blind Association (down from £145 to £127 million).

### **About Charity Market Monitor 2010**

Charity Market Monitor 2010 is a collaboration between academics at Cass Business School and CaritasData. Through analysis of the finances of the UK's major fundraising charities and causes (provided by CaritasData), CMM provides up-to-date annual perspectives on the funds they raise. CMM gives the most comprehensive overview of fundraisers, grant-makers, public funding and corporate donors respectively.