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The Brutal Facts

Fine Margins

Stewardship or Luck?

A Research Report from Fundraising Training Ltd

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Introduction

In this second research assignment in the Brutal Facts series, we will be exploring the routes to securing major grants. There's always been a debate about how much we can claim our successes as the results of intentional fundraising processes (stewardship), or just 'plain luck'. Using our unique data resources, we are going to explore the truth of this matter.

Let's look at some definitions of stewardship.

"Someone's stewardship of something is the way in which that person controls or organizes it."

Cambridge English Dictionary

"The only way to truly steward your donors is to draw them into a deeper relationship with your organization."

The Fundraising Authority (US)

Within these definitions there is implicit intent, although the precise outcome might not be clear.

So, let's find a definition of luck.

Two thousand years ago, the Roman philosopher, Seneca, converted luck into an algebraic formula:

Luck = preparation x opportunity.

If you don't prepare (0) and a good opportunity arrives (+1) you get no luck (0 x 1 = 0).

On the other hand, if you prepare well (+1) and no opportunity arrives (0) then the result is also 0.

The only successful formula is good preparation (1) x opportunity (1).

The worst of all situations is bad preparation (-1) with any opportunity (good or bad). I guess there might be a few governments considering that formula in the light of the current pandemic.

So, in fundraising terms, you need to develop you plans, set your stewardship systems in motion and you'll succeed; but, only when an opportunity arises (which is probably out of your hands). So, all that careful and patient donor communications only convert into cash when something changes – which is often out of your control – such as the availability of funds and life experiences of the donor.

The challenge of this research assignment is to explore the potential and limits of stewardship. We'll achieve this through investigating the 'other end of the telescope' – the grantmaking behaviours of Foundations. We'll look back through our database of the philanthropy of 100 UK Foundations from 2004 to 2019 to discover how often they go on spending sprees, why and who gets the money.

The Aims of the Research

Our lens into major giving is into the philanthropic end of the process. We want to make an informed judgement on the market approach to substantial giving. We will address these questions:

1. How often do Foundations go on spending sprees?
2. What types of Foundations are more likely to dramatically change their giving?
3. How can we anticipate these opportunities and be prepared for them?
4. Which types of organisation tend to get these increased grants?
5. If they increase their giving to you, what next?

The Research Methodology

We have a dataset of 100 UK Foundations with 9 entries from their audited accounts from 2004 to 2019 (13,995 entries). Entries include sources of income, grant expenditure and asset values.

These Foundations are a diagonal slice of the market and meant to represent a typical portfolio of supporters for one of our UK clients. The largest funder in the study, The Leverhulme Trust gave out £91,125,000 in 2019, the smallest, the Calpe Trust, £44,018.

Of these 100 donors, 42 have increased grantmaking by more than £800K, year on year (YoY). We selected £800K+ as the threshold because a modal analysis revealed that this was the turning point between rare and occasional increases in grantmaking. Furthermore, these increases accounted for nearly all of the growth in philanthropy of the entire study group (100), except in 2011. £800K was a substantial increase for most small and medium sized funders, but it would be a minor percentage increase for the larger ones.

This has happened on 138 occasions (9.8% of the 1400 YoY increases in the study). In itself, that fact is significant - by revealing that 91% of grantmaking doesn't fluctuate very much. If these substantial increases in philanthropy provide us with the opportunities that convert into the luck we depend upon, then they are quite rare.

Most of the donors, 28 (66%), have done this more than once – on average, 4.5 times over 14 years.

For 34 of these 42 exceptionally generous donors (80%), income increased around the time of the increased grantmaking. But, we had to dig deeper to see if there was a link between income increases and philanthropy. By investigating the accounts of the 138 occasions of increased giving, we were able to see a link with increased income on 118 occasions (85%). The breakdown is follows:

- 8 = no evidence of additional income.
- 7 = Leverhulme Trust – given the size of this Foundation, most modest fluctuations were over £800K.
- 5 = increased income, but no discernible pattern.
- 118 = discernible link between increased income and increased grantmaking.

These conclusions came from the interpretation of the following entries in the audited accounts for 42 trusts, from 2004-2018:

- Income sources
- Grant expenditure
- Investment gains/losses

In the main body of the report, there will be an explanation of the context for the Leverhulme Trust entries and an analysis of the patterns behind the 118 examples of giving linked to income.

Without a link to increased income, grantmaking rises are likely to one-off.

We set out to investigate as many as possible of these 138 exceptional grant increases. We were looking for information on the sources of funds for these grants and who were the recipients. We were able to access the complete audited accounts for most instances since 2014.

2019:	4
2018:	5
2017:	12
2016:	12
2015:	11
2014:	13
Total:	58

For a few donors, we were not able draw too many conclusions, due to a lack of detail on grant recipients. We did attempt to contact some of the funders to gain some qualitative information on their grantmaking, but this proved to be too complicated and of limited value.

The evidence presented, and the conclusions we make, need to be accepted as based upon this quality of data. Therefore, we have restricted ourselves to broad statements, where we are confident that the evidence is an insight into more widespread behaviours. The total value of these increased gifts from 2014 to 2019 is £249,470,485 – a substantial amount of additional philanthropy. Over the same period, the counter-balancing substantial decreases totalled -£104,145,533. So, overall, these surges in granmaking produced a net positive balance of £145,324,852.

Section One: The Funding of Exceptional Philanthropy

With 85% of the grant increases connected with increases in income, we sought to investigate the sources of additional funding. These can be grouped into five different sources:

1. Donations
2. Increased Investment Income
3. Exceptional Investment Gains
4. Collaborations with Other Funders
5. Mergers with Connected Foundations

Most of the accounts clearly revealed the source of additional funding, either in the SOFA and the related notes, or from explanations in the Trustees Report.

1. Donations

This is where a living benefactor, a family member, or a company has given an injection of funding to the Foundations. We can attribute 35% of the instances of increased grantmaking to additional donations. An example comes from the Stoller Charitable Trust:

> **AO flotation boost for northern charities**
>
> Andrew Bounds, North of England correspondent APRIL 6 2014
>
> 0
>
> The flotation of Appliances Online resulted in millions of pounds for investors, but it has also given millions more to charitable causes around the company's Bolton base and a new £7.5m concert hall to a Manchester school.
>
> Norman Stoller, Bill Holroyd and Chris Hopkinson, the three businessmen who helped fund the online retailer of fridges and washing machines more than a decade ago, have made about £60m each from the sale.
>
> The latter two remain non-executive directors, but all are active philanthropists. The Stoller Charitable Trust is paying for the 420 capacity concert hall at Chetham's school of music, which has sat empty for 18 months.

Donations are often one-off, sporadic, or for a short period of time. Unless they are for exceptionally large amounts, such as the Stoller gifts, or the Tolkien Trust's back-payment for film royalties, donations often convert into immediate increases in philanthropy – often not sustained. The important question is whether the arrival of the cause triggers the desire to channel funds through the Foundation; or, whether the money comes first and then finds a cause. In 22% of the increases, the money was received and given out in the same year – indicating that the Foundation was used as a conduit for a pre-planned gift. In 13% of increases, donations were received in previous years, taking up to three years to be converted into extra giving.

2. Increased Investment Income

Investment income normally comes from dividends and rental income. These sources of income are not very volatile and so rarely generate substantial extra funds to boost grant making. Within our study we found these examples were less than two percent of the instances.

The Jane Hodge Foundation is one case of where investment income rose from £558,000 in 2013 to £2.440 million in 2016. Over the same period, grantmaking increased from £855,000 to £2.108 million.

Name/Heading	2016	2015	2014	2013
The Jane Hodge Foundation				
Income from Fixed Assets/investments	£2,440,623	£1,852,885	£1,082,583	£558,510
Income from donations				
Exceptional Income	£1,864,033	£1,508,040	£15,200	£178,854
Total Income	£4,304,656	£3,360,925	£1,097,783	£815,293
Total Grants	£2,108,309	£1,775,743	£787,550	£855,016
Total Expenditure	£2,231,647	£1,880,652	£880,011	£946,531

3. Exceptional Investment Gains

This is where the value of the investments has increased more than usual. To be used to increase grantmaking, these gains need to be realised (sold at a profit) and converted into cash. We found a link between sustained (more than a single year) increased investment gains and increased grantmaking in 40% instances.

The Sobell Foundation example, below, illustrates this connection. Clearly, the Sobell Foundation is using a 'total return' investment strategy, whereby investment gains add to investment income to fund grants (otherwise the Foundation could not give out £4.320 million from an income of £1.973 million, as in 2015). Investment gains leapt from £2.008 million in 2014 to £6.684 million in 2015 – helping to fund a doubling in grants in 2016. This example illustrates a common pattern, whereby investment gains are converted into increased expenditure in following year(s). This illustration also shows that investment gains don't always lead to increased expenditure (as 2017's exceptional returns didn't convert into increased giving in 2018). But there was a £1.4 million growth in grantmaking in 2019.

Name/Heading	2018	2017	2016	2015	2014
Sobell Foundation					
Income from Fixed Assets/investments	£2,272,579	£1,994,973	£1,971,805	£1,973,385	£2,100,201
Income from donations					
Exceptional Income					
Total Income	£2,272,579	£1,994,973	£1,971,805	£1,973,385	£2,100,201
Total Grants	£6,903,648	£6,023,877	£8,669,916	£4,320,642	£4,851,986
Total Expenditure	£7,258,309	£6,373,601	£9,066,148	£4,695,859	£5,219,165
Gains/(losses) on investments	£288,858	£9,512,119	£2,308,883	£6,864,993	£2,008,338
	0.4%	14.2%	3.2%	10.1%	2.9%

As investment gains have the strongest link with increased grantmaking in our study, it is worth exploring the patterns in greater depth.

Many funders set expenditure budgets for three years or more, irrespective of the actual income in those years. These budgets are based upon past income patterns. If investment income is static, but investment gains have increased (on a sustainable basis, not just for one or two years) then the next three-year budget will be set higher. A long view of the accounts of a Foundation will show these patterns:

Name/Heading	2019	2018	2017	2016	2015	2014	2013	2012
City Bridge Charitable Trust								
Income from Fixed Assets/investments	£35,100,000	£35,900,000	£29,900,000	£25,300,000	£87,700,000	£36,800,000	£39,500,000	£41,300,000
Income from donations	£200,000							
Exceptional Income	£6,800,000	£6,500,000	£6,200,000	£5,900,000	£4,900,000	£4,100,000	£3,700,000	£3,400,000
Total Income	£43,100,000	£42,600,000	£36,500,000	£31,400,000	£92,600,000	£40,900,000	£43,200,000	£44,700,000
Total Grants	£30,700,000	£31,700,000	£30,300,000	£26,500,000	£19,900,000	£20,000,000	£15,600,000	£18,900,000
Total Expenditure	£53,100,000	£53,300,000	£50,000,000	£44,400,000	£26,100,000	£39,300,000	£34,300,000	£38,700,000
Gains/(losses) on investments	£108,600,000	£64,500,000	£98,200,000	£55,900,000	£66,800,000	£70,500,000	£80,700,000	£35,800,000
	7.8%	4.8%	8.3%	4.9%	6.5%	7.3%	9.3%	4.3%

In this example, City Bridge Charitable Trust income has been stuck around £43-44 million from 2012 to 2019, whereas investment gains have risen from £35.8 million to £108 million. This has been converted into a steady increase in grantmaking, from £18.9 million in 2012 to £30.7 million in 2019. This has been done in three batches of increases: £15-18 million; £20-26 million, up to £30-31 million. The scale and volatility of investment gains tend to get spread across several years. We estimated that around 35% of the foundations with substantial grantmaking increases managed grant budgets in this way.

If the exceptional investment gains were one-off, they were much more likely to be converted into one-off philanthropy in the year they were received, or soon after. Single year investment gains were connected with increased grantmaking in 16% of examples.

Overall investment gains funded over 56% of our exceptional grantmaking.

There were a few examples of other drivers for increased philanthropy.

4. <u>Spend-outs or Grants from the Endowment</u>

There were two examples of Foundations that had increased giving by spending all of their capital. One ceased to exist after spending all its money, the other 'came back to life' with an injection of funds from the next generation of the family.

On one occasion, a Foundation made an exceptional grant of £25 million, depleting the assets by a third. Five years later the assets had returned to their pre-major gift value – but this Foundation has not repeated this behaviour.

5. <u>Collaborations with Other Funders</u>

There were a few examples of funders securing additional income from a partnership with another Foundation. In all cases, this was immediately converted into additional grantmaking, as is the case with the Dulverton Trust's management of £1.2 million of grant making on behalf of the Four Acre Trust.

Designated Funds.

During the year, the Dulverton Trust entered into an unrestricted funding agreement with Four Acre Trust amounting to a total of £1,200,000. The Trustees have determined that this funding will be spent on youth opportunities and general welfare and therefore these unrestricted funds have been transferred into a designated fund.

Dulverton Trust Accounts 2016-17

6. Mergers with Connected Foundations

A small number of Foundations derived extra income (and possibly extra grantmaking responsibilities) from mergers with other Foundations. The Jane Hodge Foundation is an example.

		funds £	Endowment funds £	**2015** **£**	2014 £
Incoming resources					
Incoming resources from generated funds					
Investment income:					
Listed investment income		784,874	-	**784,874**	696,443
Unlisted investment income		1,655,325	-	**1,655,325**	1,150,515
Bank interest		424	-	**424**	5,927
Incoming resources from charitable activities					
Other income		-	-	**-**	987
Rent receivable		-	-	**-**	700
Transfer of Funds from The Sir Julian Hodge Charitable Trust					
Transfer of funds		-	-	**-**	1,386,179
Transfer of investments		-	-	**-**	120,174
Sale of land and buildings	*9*	-	1,864,033	**1,864,033**	-
Total incoming resources		2,440,623	1,864,033	**4,304,656**	3,360,925
Resources expended					
Charitable activities	*6*	2,108,309	-	**2,108,309**	1,775,743
Cost of generating funds	*7*	115,538	-	**115,538**	98,105
Governance costs	*8*	7,800	-	**7,800**	6,804
Total resources expended		2,231,647	-	**2,231,647**	1,880,652

Jane Hodge Foundation 2015 Accounts

The Leverhulme Trust Factor

This is the largest Foundation in our study and, inevitably, its figures can skew the data. In 2018, the most complete year of our study, their grants accounted for 25% of the total figure of £434 million; their assets represented 27% of the total figure of £11.833 billion. However, their seven instances of £800K+ increases in grantmaking account for just 5% of the examples in our study. For Leverhulme, an £800K+

increase is a small percentage of their giving, so all their increases qualified. Leverhulme is an excellent example of how you can see a three-year expenditure strategy from a long view of their accounts.

Name/Heading	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
The Leverhulme Trust										
Income from Fixed Assets/investments	£109,626,000	£99,383,000	£86,707,000	£74,131,000	£78,794,000	£73,877,000	£64,157,000	£ 67,381,000	£59,115,000	£54,334,000
Income from donations										
Exceptional Income										
Total Income	£109,626,000	£99,383,000	£86,707,000	£74,131,000	£78,794,000	£73,877,000	£64,157,000	£ 67,381,000	£59,115,000	£54,334,000
Total Grants	£108,759,000	£77,189,000	£78,616,000	£109,032,000	£83,029,000	£52,218,000	£73,683,000	£ 52,677,000	£50,201,000	£55,404,000
Total Expenditure	£113,458,000	£79,407,000	£80,560,000	£110,838,000	£84,864,000	£54,179,000	£75,002,000	£ 54,176,000	£51,479,000	£56,531,000
Gains/(losses) on investments	-£73,872,000	£596,738,000	£318,353,000	£207,428,000	£122,112,000	£119,665,000	£162,583,000	£ 135,859,000	£5,074,000	£320,925,000
	-2.3%	22.6%	13.8%	9.7%	6.0%	6.3%	9.4%	8.6%	0.3%	24.8%

From 2009 to 2011, grantmaking is around £50 million, spending £157 million over the three-year period. From 2012 to 2014 this rises to £208 million over three years. From 2015 to 2018 it rises to £264 million. The philanthropy in the first year of each batch of three is always the largest. We are guessing about the three-year cycle.

But, don't assume it will always be thus. Here is a section of their Trustees Report in the 2019 accounts:

"The Trustees have agreed that the Trust will aim to spend £100m per annum for the next five years (2020- 2024) to ensure it supports the widest range of charitable activity consistent with their objectives and their grant-making policy. They will continue to monitor the demand for existing programmes and to develop new programmes and schemes."

<u>Summary of Sources of Income for Exceptional Grantmaking</u>

Sustained Exceptional Investment Gains: 40%

Single Year of Exceptional Investment Gains: 16%

Exceptional Income (spent in same year): 22%

Exceptional Income (spent in following years): 13.5%

Planned Spend-out or Gift from Endowment: 8.5%

Section Two: The Patterns of Philanthropy

So far, we have concentrated on the funding of additional philanthropy. This research has shown that it is very rare for grantmaking to substantially increase without a link to additional income. The most common form of additional income is investment gains. Foundations are very stable sources of fundraising income, as the majority rely on robust dividends to fund grants – these rarely collapse, so Foundations tend not sharply reduce their giving. However, the positive opportunities – they provide those chances to 'get in and get big' – mostly come from exceptional realised investment gains.

In this section we'll look into how the recipients are decided. These conclusions are based upon a detailed investigation of the accounts for 58 examples of 'spending sprees' since 2014. The primary sources of information were the grant lists in the year of the spending spree, as well as before and after.

A Small Number of Recipients Gained All the Extra Cash

In virtually every example, the substantial increase in grantmaking was given to very few beneficiaries. It's easier to get an exceptional amount of cash out of the door with a few grants than to fund many organisations. It is also likely that many grants funded by donations were decided before the arrival of the money and are more often determined by individual, rather than institutional, decision making.

Henry Smith's Charity was the only one of the 42 Foundations that had spread their increase across several recipients.

£2.57 million increase in grants in 2018 (+8.7%)

Major Grant Recipients Come and Go

The biggest grant recipients seem to come from nowhere and then disappear. By looking at the grant lists leading up to and after the spending spree, we saw very few major gifts given to previous beneficiaries. The recipient organisations may have been beneficiaries from several years back; or they may have been known to the foundation, but not funded. When the Tolkien Trust increased grantmaking by £2.6 million in 2010 – following receipt of backdated royalty revenues – the largest grant was to Oxfam, who had not been funded in the recent past – and not funded again. This was for an emergency appeal and many members of the Tolkien family have connections with Oxford, where the Trust is managed.

Also, these major grant recipients were rarely funded again after the major grant – not within a four-year time frame.

They are not normally fundraising charities. They are like these organisations:

- **Health Foundation (2017**): Healthcare Improvement Studies Institute, £42 million
- **29th May 1961 (2018):** Coventry City of Culture, £1 million
- **Esmee Fairbairn (2017):** Participatory City, £1 million
- **Esmee Fairbairn (2019):** Fareshare, £1.25 million
- **Stoller CT (2016):** Biomarker Discovery Centre

None of these recipients had received a grant in the previous five years, or after their major gift.

In all our research, we found only one example of a major recipient that had received substantial funding twice: Teach First, in 2016 and 2019, from Fidelity UK Foundation.

Loyal Friends (not often)

Occasionally there are regular, normally intermittent, recipients of major gifts when there is extra money available. These organisations normally have long-term and embedded connections with the Foundation. For example:

- **Joseph Rowntree Charitable Trust** and the Woodbrooke Quaker Study Centre
- **Rothschild Foundation** and Illuminated River (Hannah Rothschild is a trustee of both)
- **Tolkien Trust** and the Bodleian Library

Look Out for Strategic Cycles

Foundations often revise their strategies: every three or five years, sometimes on a longer cycle. By taking a long view of a foundation's accounts you can see these cycles (as we saw earlier, with City Bridge and Leverhulme)

The bigger grants tend to be made early in the cycle – but decided long before.

Decennial review

The Trust continued and completed a decennial (ten year) review during the year, supported by an external consultant. The focus of the review, as agreed in September 2017, was on (a) testing JRCT's model of change and (b) setting an appropriate level of spending for the next ten year period.

The review included engagement with current grantees and recent unsuccessful applicants through a survey, complemented by a small number of interviews and a focus group session.

Joseph Rowntree Charitable Trust 2018 Annual Review

Section Three: Lessons for Fundraisers

We set the threshold at £800K for our analysis. It would have been so much more beautiful to have selected £1 million. We could then have entitled this conclusion as how to get that £1 million gift. But data isn't always so convenient. So £800K it is.

Let's look at the broad conclusions from our analysis of 138 'spending sprees'.

- Increased giving depends upon increased income.
- 91% of grantmaking is pretty much the same as in previous years.
- For those 9% opportunities, the increased income is most likely to come from investment gains (56%) and injections of extra income (35.5%).
- When Foundations go on 'spending sprees', they tend to give large grants to a small number of beneficiaries.
- Often these beneficiaries will be new or one-off recipients. In our study very few of these organisations had been funded in the recent past or for a few years afterwards.

These 'brutal facts' have major implications for stewardship and targeting. Apart from the 'run of the mill' grantmaking, you are going to chase these spending sprees to secure major gifts from Foundations. 'Run of the mill' grantmaking is 91% the same as the year before. If you want an uplift, then your targets should have established this route within their normal grantmaking patterns.

So, if you are chasing the windfalls of exceptional grantmaking (spending sprees), who are your best prospects; and, can we identify them and engage with them before they decide to expand their giving? We're going to run through some ideas for you under three headings:

1. Prospects: who are the best funders to engage with?
2. Propositions: what type of appeal are they likely to respond to?
3. Process: how do they decide who to give to and how can you engage them?

1. <u>Prospects</u>

Look for those Foundations that might get additional cash in

- **Exceptional investment gains** – normally takes two or more years to feed through. So, you can often spot the pattern before it is converted into giving. A single year of exceptional investment gains is less likely to be fed into extra philanthropy. Normally it requires two or more years of sustained gains before there is extra giving. Often the investment gains are divided into 'giving now' – extra grants in the immediate future; and, 'future giving' – increased assets which underpin slightly increased long term philanthropy. This splitting is common and some Foundations use a 9:1 ratio (as was the case with the Tolkien Trust, which went on a £3 million spending spree and added £27 million to the assets).

- **Donations from living founders (and bequests)**. This can be in anticipation of the philanthropy. A gift is made to the Foundation by the founder, or a family member, using the Foundation as a conduit and it goes straight out to a pre-determined beneficiary. In other cases, possibly more often, it is windfall income in need of a tax haven and the eventual recipient needs to be found. This can take several years – if you see the money arriving, now's your chance to engage them and offer them a home for their gift.
- **Spend-outs**. This is where the Foundation deliberately depletes its assets, either permanently or in anticipation of a transition. When a Foundation decides to spend its capital, as well as its income, then there is much more money available. In our study, only two out of 138 spending sprees were associated with spend-outs.
- **Strategic cycles**. This is where the Foundation will set a grant budget several years ahead, often three to five years. When the new strategic cycle is set, this often leads to an uplift in grantmaking (especially if investment gains have been good in the recent past). By thoroughly reading the accounts of a Foundation you can spot these cycles, because they explicitly refer to them in their report or you can see them in the historical patterns of giving. It does seem to be a common pattern for the major grants to be awarded at the beginning of these cycles.
- **Part of the 'Club'.** Foundations with shared family members, such as the Sainsbury family, often collaborate with giving or give money to each other for onward dispersal. Collaborations have become much more common amongst the small 'club' of nationally well-connected funders. These collaborations also exist amongst funders who work on a Regional, county or city/town basis. So, an approach to one may become an approach to several.
- **Connected Foundations.** If Foundations share trustees, there is a possibility of switching funding across each other, but also of future merger. Mergers had led to spending sprees with two out of the 58 examples we were able to investigate in depth.

2. <u>Propositions</u>

If a Foundation has extra money to give and it is likely to spend it in major grants, then you need an appropriate proposition for this money. To give big, you need a 'safe home' for the money; and, you will be concerned about distorting or creating a dependency within the grant recipient. You also probably want clear and immediate impact from your funding. When we analysed the recipients of major giving, there were clear patterns:

- **An Institution,** like the University of Manchester or the Royal College of Music

- **An Initiative,** like Participatory City (which received £1 million for the Esmee Fairbairn Trust), which is a new organisation with an innovatory purpose.
- **Topical,** like Oxfam's 2010 East Africa Disaster Appeal, which received £1 million from the Tolkien Trust.
- **A Research Programme,** like the Institute of Cancer Research.
- **A Building,** like the Stoller Hall – funder by the, er, Stoller Trust.

You're not likely to get £1 million with an ongoing and/or general proposition.

3. Process

This is the tricky bit. Do you seek them, or do they find you?

Established beneficiaries, especially at a lower level, seem like the least likely candidates for the exceptional grants. There's no evidence of a 'pyramid' or 'ladder' of giving. It seems to go from nothing, or very little, to that big grant – in one move. Equally, the recipients are rarely unknown to the donor, although they might not have given before. In 2016 the Johnson Foundation gave £500K to the Onside Youth Zone, an organisation that had not been funded in their recent past and was not funded again after that grant.

So, just based upon the thundering evidence of our research. Your big giver is likely to be aware of you, but not have funded you before. We need to become astute at 'kissing frogs'; when they become a 'prince' they are probably already betrothed. If we spotted a Foundation that had additional income; but, had not yet converted it into extra grants (especially if that income came from sustained and exceptional investment gains), we would target them. Even, probably especially, if they have not funded in our sector before. Given that, I might still be too late - the successful recipient probably engaged with them more than five years before. The 'not already in my sector' factor is interesting. These big grants tend to go to new (to the Foundation) actors in the existing sectoral interests of the Foundation; or to completely new sectors. It's about being familiar, without cashing it in too early.

It might be most worthwhile to hop around the circuit, pick up that big grant and move on. That is the final awkward truth. When you get that big grant, the mostly likely next move is for you to be frozen out for some years or tumble down to a much lower level of gift. So, when your delicate stewardship bears fruit, enjoy it and don't dream of repetition.

Bill Bruty

27th January 2021