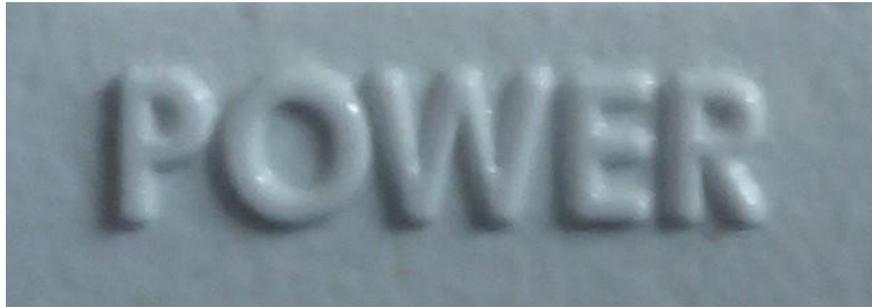


9,000+ White-led Foundations



Redistribution, Restitution, Reparation

According to the Association of Charitable Foundations there are 10,000 foundations in the UK [i]. Perhaps 20% of those work to benefit specific minority ethnic communities [ii] but many of those foundations are led by white people rather than People of Colour.

As far as I know, there is only 1 black-led foundation – the newly formed [Baobab Foundation](#).

White-led is defined here as the board of trustees being made up of at least 51% white people.

In practice, the foundation sector is much closer – though not in a good way – to the standard set by Deaf & Disabled People’s Organisations which require trustee boards to have at least 75% representation from Deaf and Disabled people in order to be classified as being led by Deaf and Disabled People.

In fact, research by ACF in 2018 found that 99% of foundation trustees are white [iii].

Where Foundation Money is Going:

Those 10,000 foundations allocate approximately £6.5 billion in grants each year [iv]. There is no central record showing which organisations and communities receive that funding – eg how many of the beneficiary organisations are also white-led. But what is known is that research by the Charity Commission in 2017 found that 92% of all charity trustees were white [v].

Initiatives such as [360Giving](#), and the work by the new [DEI Data Group](#), are trying to fill some of these gaps in information about which organisations and communities do – and do not – get foundation funding.

And there is some progress beginning to be made by some foundations internally on issues of diversity, equity and inclusion – including through [ACF’s Stronger Foundation’s initiative](#), the [DEI Coalition](#) and the [Just Foundations initiative](#). But progress on diversifying the boards and management of foundations is likely to continue to be slow – not least because, in many cases, those positions are “dead white men’s shoes” [vi].

And there is no guarantee that simply bringing in People of Colour, and people from other minority ethnic communities, will change how foundations behave and how they allocate their funds – particularly if those boards remain white-led. And it will not necessarily address the underlying issues of where foundations derived their endowments from in the first place.

Where Foundation Money Came From:

It is likely that the trustees of most foundations have not considered the question of where their organisation's wealth originated from. And, if they have, it is likely they have adopted a "don't ask, don't tell" strategy. And even if their foundation cannot trace its history back to a founder who benefited from the slave trade or the peak colonial period, it is likely their foundation has benefited from using a banking and investment system that has (and possibly continues to) supported an economic system that perpetuates the social and economic inequality highlighted by Covid-19 but long predating it [vii].

All of us involved in the management and governance of foundations should be interrogating the origins of our organisation's wealth – as a first step in deciding whether there are reparations that need to be made for historic (and possibly recent) exploitation of, and extraction from, specific communities [viii].

Where Foundation Money Should Go:

In terms of using our endowments to have a significant impact on structural inequality now – something we have collectively had minimal impact on so far, all UK endowed foundations should transfer a minimum of 10% [ix] of their endowments – without any restrictions – to a new fund to create endowments for the new Baobab Foundation (and any other black-led funders such as Resourcing Racial Justice) – as part of a programme of redistribution of power and resources, and to invest in structural change led by the people most affected.

The trustees of the foundation I work for have taken money from the endowment regularly over the past 20 years – both to maintain our grantmaking when dividend income has dropped and to provide significant additional income to fund major developments within grantee organisations. In one year, they took £3m (13%) out of our £22.5m endowment to enable one organisation to make a major step forward. The natural movement of the markets has not only restored the value of the endowment – it has increased it. Ten years ago it was worth £17.5m. Today, it's worth £22m.

They have just put £500,000 (ie 2.25%) of the £22m endowment into a Covid-19 contingency account and will consider spending it on either the ongoing crisis or re-building/renewal. Given the scale of need associated with the current crisis, that money will do good but it will be spent on short term needs and won't change the underlying inequalities that exist.

In 2017/18 (the last year for which figures are available) the top 300 foundations had total assets of £67 billion, a figure that had grown continuously over the preceding 10 years [x]. If they all decided to transfer 10% of their endowments to create a fund to endow black-led foundations, that would create an endowment fund of **£6.7 billion – potentially generating**

an annual income of £201m for black-led foundations to distribute according to their priorities.

Even if the top 300 foundations only allocated 1% of their endowments – that would create an endowment fund for black-led foundations of **£670,000,000 – potentially generating an annual income of £20.1m for black-led foundations to distribute according to their priorities.** Not much, in comparison to the billions allocated by white-led foundations – but better than where we are now.

How much bigger would the endowment fund be if the other 9,700 UK foundations did the same.

And this redistribution of capital – from white-led foundations which largely benefit “mainstream” organisations and activities – to black-led foundations should not absolve white-led foundations from continuing to interrogate their own governance, management, practices and allocations.

Endowing black-led foundations would not absolve white-led foundations from continuing to diversify themselves, or from ensuring their own funding decisions are truly equitable for the whole community.

But it would be a significant first step in creating a more equitable distribution of power in the UK foundation sector.

[i]

https://www.acf.org.uk/downloads/publications/Giving_Trends_Top_300_Foundations_2014.pdf

[ii] Based on the information publicly available about the governance of the top 300 foundations, approximately 20% may be led by people from minority ethnic communities (eg foundations specifically supporting Jewish and Muslim causes and communities). It is possible that this proportion is the same for all 10,000 UK foundations – but the data to assess this is not publicly available. Even if that is the case – and 8,000 of the 10,000 foundations were described as white-led – it would not change the fact that none of the top 300 foundations appears to be Black-led.

[iii] https://www.acf.org.uk/downloads/publications/ACF_CASS_trusteedata_2018.pdf

[iv]

https://www.acf.org.uk/downloads/publications/ACF_Foundation_Giving_Trends_2019.pdf

[v]

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/658766/20171113_Taken_on_Trust_awareness_and_effectiveness_of_charity_trustees.pdf

[vi] <https://newreciprocity.com/2019/07/18/make-way-and-shift-the-power/>

[vii] <https://www.ubele.org/s/REPORT-Impact-of-COVID-19-on-the-BAME-Community-and-voluntary-sector-30-April-2020.pdf>

[viii] <https://www.decolonizingwealth.com/>

[ix] At the time of the last census in 2011, 13 per cent of the UK population, equivalent to around 8.1 million people, identified themselves as Black, Asian or From a Minority Ethnic Community.

[x]

https://www.acf.org.uk/downloads/publications/ACF_Foundation_Giving_Trends_2019.pdf