

Press Release

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News from CAF

Last year, the UK's top 500 fundraising charities generated a total income of £8.6 billion according to research out today. Of this, £4.6 billion (53%) was from voluntary sources.

Charity Trends 2004, produced by CAF (Charities Aid Foundation), analyses the income and expenditure of the UK's largest fundraising charities. This 25th anniversary edition presents a fully updated set of charities, changed to reflect wider developments in the sector (the rapid emergence of new charities, changes to what are considered 'charitable purposes', and new sources of income).

As a consequence, 250 new charities have entered the top 500, with even the lowest charity in the table attracting a voluntary income of around £2 million.

Between 2002-03, the single largest source of income to the top 500 charities was donations and grants at 31%, followed by trading fees and contracts at 21%, grants from public bodies at 15%, and legacies at 13%. And while income from rent and investments represented 9% of total income, its value actually fell in real terms by 3%.

Overall, voluntary income to the top 500 saw a huge swing from the decline experienced in 2001-02, rising by 7.5% in real terms. Of this, income from donations and fundraising rose by 10% and 16% respectively, returning to the high levels of growth of the millennium. Legacy growth, however, slowed to 3%.

Total expenditure by the top 500 for 2002-03 was £8.1 billion, a rise in real terms of 10% on the previous year. 84% (£6.7 billion) went on direct charitable expenditure, up by 11% on the previous year; 9% on fundraising, up by 8%; and 3% on trading, which grew by 7% on 2001-02.

Management and administration spending, which actually fell in real terms by 5.5% on the previous year, represented 3% of total expenditure by the top 500 charities.

But as the gap between the largest and smallest charities in the UK continues to widen, **Charity Trends** found that 20% of total income to the top 500 charities in 2002-03 was generated by the top 10 charities alone - receiving £1.6 billion between them.

According to Cathy Pharoah, CAF's Director of Research and author of *Charity Trends*: "This year's results show that currently the strength of charity income lies in its diversity. But while last year saw the greatest growth in non-voluntary income, this year has seen a revival of income from voluntary

sources: charities need long-term strategies to escape this annual see-sawing of income".

Charity Trends 25th Edition is the most comprehensive analysis of the resources and expenditure of the UK's voluntary sector. It also includes financial information on the top 500 corporate donors and grant-makers and charts the growth in the top charities income over the last 25 years.

Charity Trends 25th Edition is published by CaritasData Ltd priced £270 or £135 for charities and is available by calling Tel: 020 7566 8210.

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