

Money4YOU's Operation Transparency: Often Tolerated, Never Acceptable

The diversity data gap in charitable
funding and governance

Research conducted January 2022-November 2023



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to: [https://www.money4you.org/
operationtransparency-report/](https://www.money4you.org/operationtransparency-report/)

A Note from Our Founder

Dear #WorldChangers

Without abandoning all that we know, we need to transform funding parity. Charities are essential, but they will need to be built and experienced differently in the future. They need to continue to build skills, but work is changing rapidly and the point can't be left in the dust. At present, there are too many digital divides, too many aspects of discrimination.

Our report projects a foundational principle, an extended view of charities as being more transparent, extending the perspective of inclusion for participants and the recognition of all forms of diversity.

This principle recognises that we live in a world of interdependencies and that Charities need to 'see' each other. Charitable funding as a public endeavor for the common good, is also a global common good, which implies new responsibilities at an international level.

With substantial input from across the charitable sector, sharing their hopes and fears and ideas - we are pleased to present this commissioned report. Its findings go some way to furthering transparency, but the rest of the journey, as the #OperationTransparency campaign cites, will require the Charity Commission to collect and report diversity data.

Over the last 9 years it has been my privilege to lead Money4YOU and today, to present: 'The Diversity Data Gap in Charitable Funding & Governance' report. It's an all-important stepping stone to a new social contract for the Charitable Funding sector, where the concept of transparency is its leading precept.

I believe that the most important thing about this report is that it centers the major challenges and opportunities before us in the Charitable Funding Sector.

AmickyCarol Akiwumi MBE
CEO & Founder - Money4you

Introduction

In 2020, as the covid-19 pandemic began to hit communities of colour and community organisations disproportionately hard, Money4YOU received more and more calls for help. As we expanded our services, we began to wonder: How many organisations could we reach?

Or, a more basic question: How many non-profits led by people of colour sustainably operate in the UK? We quickly discovered there was little relevant data. The same data gap inhibits a range of questions, including evaluations of important board diversity initiatives. So, in January 2022, we launched #OperationTransparency: a call to the Charity Commission to make diversity and equalities data part of the Register of Charities.

Alongside our campaigning work, this report asks a set of specific questions, targeted at various aspects of discrimination in the sector, with a particular focus on racism. We focused on several specific modes:

representation and transparency around diversity in the Charity Commission's workforce and senior leadership; funding parity for organisations led by people of colour; the inclusion of lived experience in senior leadership at the UK's largest and most influential charities; and the regulation and enforcement of equality duties.

The Register of Charities was established in 1960 to help all charity stakeholders make the best possible use of funds. Transparency and accountability still matter deeply today: the Charity Commission's own research in 2022 indicated that trust in charities decreases when the public suspects they are not "living their values," and that the public is alert to whether "the work of a charity is informed by individuals with relevant lived experience related to the cause, and therefore an understanding of the realities of the cause."

This report attempts to go some way to furthering transparency, but the rest of the journey is yet to come.

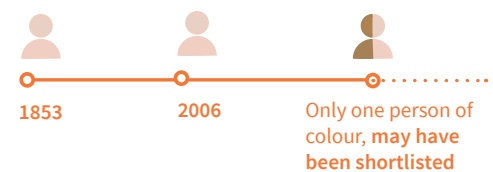
Executive summary

This summary covers the following primary questions:

- The extent to which the charity sector is lacking in diversity, both in terms of leadership positions and the distribution of grants.
- The potential mismatch between charity leaders and the communities they claim to serve.
- The need for the Charity Commission to do more to monitor and promote diversity in the sector.

1. Historical Lack of Diversity in Charity Commission Leadership:

- As far as we know, no person of colour served as Chief Charity Commissioner between 1853 and 2006 and no Chair of the Charity Commission from 2006 onwards has been a person of colour.



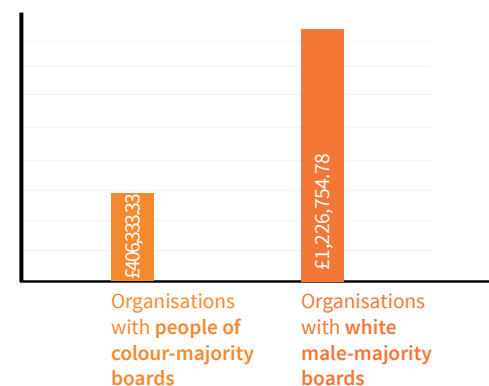
2. Neglected Public Sector Equality Duty (PSED):

- Central government departments like DLUHC and DBT do not follow specific PSED guidance tailored to the distribution of general grants.
- Grants to women-led organisations from DLUHC appeared to amount to only 0.008% of the total disbursed.



3. Grant Distribution Disparities:

- “Triangle effect” observed: Small grants go to diverse organisations, while larger grants are more likely to fund boards with a large proportion of white individuals and men.
- Average grant to organisations with white male-majority boards: £1,226,754.78.
- Average grant to organisations with people of colour-majority boards: £406,333.33.



4. Grants to All-White Boards:

- £29.8 million in grants awarded to organisations judged to have all-white boards.

5. Grant Recipient Board Composition:

- Average grantee board composition: About 81% white and 52% male.
- Some all-white boards serve diverse target service users, indicating a disconnect with the communities they claim to serve.

6. Effectiveness of Diversity Efforts:

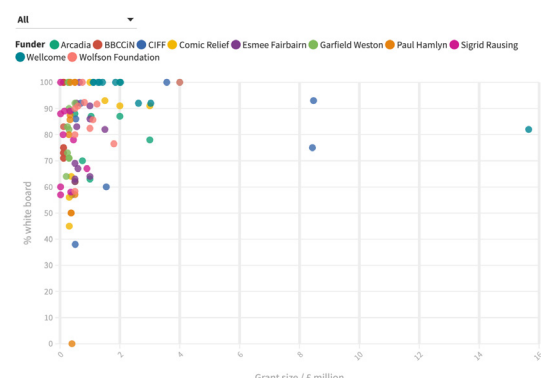
- Challenges in assessing the effectiveness of Charity Commission’s diversity initiatives due to lack of systematic monitoring.

7. Limited Embedding of Lived Experience:

- Large UK-based charities often draw on lived experience as a source in research but rarely embed people with lived experience in leadership or governance.

8. Underfunding of Equality and Human Rights Commission:

- The Equality and Human Rights Commission has a statutory responsibility for enforcing the Equality Act 2010 and subsequently the public sector equality duty.
- The Equality and Human Rights Commission’s spending in 2020-21 was 70% lower (adjusted for inflation) than in 2010-11.
- Day-to-day expenditure limits across all departments increased by 7% over the same period.



Recommendations

1. The Charity Commission should collect and report on diversity data in the charity sector in line with the proposal established in #OperationTransparency.
2. The Charity Commission should make a public commitment to antiracism and antiracist practices.
3. The Government should restore funding for the Equality and Human Rights Commission (EHRC) to its original 2010 level, adjusted for inflation, i.e. to about £91 million per year.
4. Charities should be asked to describe and explain the level of lived experience in their leadership structures when they publish annual reports.
5. In general, government equalities statistics should pay greater attention to intersectional disadvantage, as far as possible within best practice on data protection.
6. The Charity Commission should publish a review of diversity and inclusion in appointments to the post of Chair, using its own data and within best practice on data protection, as soon as possible.
7. DCMS should publish a complete list of Chief Charity Commissioners and Chairs of the Charity Commission as far back as records can be found, or commission the archival work necessary to compile a list.
8. The Charity Commission should add a search function to the Register of Charities which shows the board as it stood at any point in time defined by the user. This would allow users to see trusteeship history much more easily than they can now.

BE the change.

Join Money4YOU and its supporters in signing the Statement of Support by scanning this QR code.



- Collect diversity Data and publish the results – Be Brave and Courageous!
- Ensure Diversity, Equality, and Inclusion are at the centre of your governance.

Supporters:

Getting on Board, Trustees Unlimited, Reach Volunteering, Action for Trustee Racial Diversity, I.G. Advisors, Young Trustees Movement, Charities Aid Foundation, Co-op Foundation, Black Fundraisers UK, New Philanthropy Capital, Black Heroes Foundation, Charity Excellence Framework, The Kids Network, and The Good Trouble. Campaign groups like Charity So White, Race on the Agenda, and Charity So Straight have also signed, along with highly experienced professionals in the sector like Elizabeth Balgobin, Natsayi Sithole, Andy Gregg, and Louise Snelders.

“You can’t fix what you can’t see, so unless you’re gathering the data, you’ve got no chance of doing anything about it.”

- Maurice Mcleod, Earning Trust: How do we Design Fair, Impactful and Equitable Charity Diversity Data? (07/07/22)

About Money4YOU

Money4YOU, formerly Money4Youth, is a UK-based Charity founded in 2014 by AmickyCarol Akiwumi MBE.

Money4YOU’s mission is to tackle economic inequality through financial education, entrepreneurship training, and capacity-building tools for funding sustainability. We prioritise individuals and organisations from more underrepresented communities as a long-term solution to inequality and multi-dimensional poverty. We are a Foundation CIO with four trustees with lived experience mirroring those we serve.

Through our interventions, we inspire people to be the architects of their own lasting change.

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