

# New research questions dominance of larger charities in the charity sector

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The University of Southampton has played a key role in a major new piece of research that challenges the belief that the biggest charities are becoming increasingly dominant in financial terms - a development sometimes known as 'Tescoisation'.

The research was conducted by the Third Sector Research Centre, led by the Universities of Southampton and Birmingham, and the Centre for Charitable Giving and Philanthropy, a consortium which includes the University of Southampton.

Over the past decade, the charity sector has grown substantially in terms of income and number of charities. Yet there is a perception amongst many that the largest charities are capturing an ever-increasing share of financial resources in the sector. This new research indicates that the picture is far more complex.

Whilst the very smallest charities may not have grown as much as the rest of the sector, evidence suggests that the income gap between medium and large charities has fallen.

In 1995, the largest one per cent of charities captured 62.1 per cent of sector income. This share was essentially identical in 2007. When the increasing number of charities is accounted for, many of which are very small, evidence suggests that charitable income has actually become less concentrated. Furthermore, following the growth of specific organisations across the period shows that the very largest have not

necessarily grown at the highest rate.

The picture is complicated when charitable subsectors are considered. In some sectors, such as health, resources have undoubtedly become more concentrated, whilst others, such as education, have become substantially less concentrated. For the social service sector, which has often been the prime focus of 'tesco-isation' claims, research shows that the largest organisations have not grown faster than medium-sized ones.

Professor John Mohan, from the University of Southampton and Deputy Director of the Third Sector Research Centre, says: "This research challenges misconceptions about the charity sector, which can often lead to negative assumptions about a loss of diversity or dislocation from local communities. Importantly, it also gives policy makers, and others involved in the sector, a more informed idea about the environment they are operating in."

He added: "There are significant subsectoral variations revealed in this analysis, and it is important that policymakers and funders are aware of this diversity of experiences."

Provided by University of Southampton

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