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## **STRETCHING TO MEET OBLIGATIONS?**

### **FAMILY FOUNDATION GIVING - AN INTERNATIONAL COMPARISON**

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#### **Abstract**

This paper examines new research findings which, for the first time, compare family foundation giving levels in the US, UK and Europe. Although the giving of the largest charitable family foundations in the UK is lower in total than that in the US or the rest of Europe, UK family foundations are shown to make a larger proportionate contribution to total foundation giving than their US and other European counterparts. Thus their commitment to continuing funding becomes critical; as does the necessity to establish the factors which may promote or inhibit further family and family business foundation giving. Drawing on published quantitative data from published sources (Pharoah, 2008, 2008A) the research signals the intention to set a benchmark for current family foundation giving in the UK, US and the rest of Europe, from which further work (including a follow-up study to be published in 2009), can track change. The paper goes on to reflect on the nature and levels of commitments facing these foundations, the role of "stretch goals" in their strategy development and on family foundations' responses, nationally and internationally, in recessionary climates, where private wealth contracts, while public needs grow.

## **Introduction: Comparison of family foundation giving levels in US, UK and the rest of Europe**

After a decade in which trust and foundation grant-making has broadly experienced a significant growth in resources, decision-makers now face hard choices. They may stretch their resources to meet needs; but may also shrink their giving. Family foundations are at the centre of these pressures. The huge private wealth resulting particularly from global markets' growth, has led to the formation of many new family foundations in the US and Europe and thereby to new expectations of the obligations of wealthy donors. The rate of family foundation growth has already begun to slow in the US, and the research evidence shows that family foundations are considerably more stretched to meet social need in some countries than in other countries where they make little contribution. What, though is the right stretch? Does the notion of "stretch goals" in business strategy have any value for family foundations, facing pressures in giving and on their own resources?

Escalating private wealth built on the success of global markets and capital flows has been experienced in many countries over the last few decades, but there is very little comparative data which would help assess its true impact on levels of philanthropy (although individual examples abound). The research reported here aimed to assess the particular contribution of charitable family foundations to philanthropy today, for the first time comparing findings for the UK internationally with the rest of Europe and the US (Pharoah, 2008).

The paper has three parts. Its main emphasis provides a comparative assessment of levels of family foundation giving in the US, UK and the rest of Europe. It goes on to provide an illustrative overview of family foundation spending priorities, focused on the UK (Pharoah, 2008A) and concludes with reflections on the notion of "stretch" in family foundation contexts and the implications for their further development

### **Why focus on family foundations?**

There are a number of reasons. A central factor is that, funded principally by the personal gift of a family or family business, and independently-governed, family foundations can be viewed as both a major indicator and expression of private commitment to public benefit; and as an expression of citizenship in local, regional, national and international contexts (see for example, Kirkland, 2004 in a US context and Liffman, 2004, in an Australian context).

Family foundations are of particular significance at times when the expansion of capitalism has led to huge accumulations of private wealth; suggesting that charitable family foundations have as important a role in modern philanthropy as at the turn of the 20<sup>th</sup> Century, when many of the great family foundations were established such as Carnegie and Rockefeller in the US, Joseph Rowntree in the UK and Carlsberg in Denmark. Whether these major institutions are lauded for their work and example, or challenged for ameliorative approaches or hegemonic instincts (Arrove, 2007, Roelofs, 2007), new charitable family foundations have continued to emerge over the last few years across the globe, within countries of very different political, fiscal and regulatory regimes. As a vehicle for giving, their attraction includes the scope for direct family involvement in philanthropic activities, the creation of a lasting institution or endowment, often

with the family name, and the inter-generational transfer of philanthropic commitments in addition to the tax-reliefs they attract in most countries.

The US Foundation Centre reports almost 34,000 family foundations in the US in 2005, a growth of 22% since 2001. Total family foundation giving in 2005 was about \$14 billion. The Bill and Melinda Gates Foundation is often seen as the 'Carnegie' of this age. The UK has also seen the recent establishment of many new charitable family foundations, with the Charity Commission reporting that sixty new family foundations were set up in 2006 alone. Examples from the UK largest 100 include Sainsbury, Foyle, Paul Hamlyn, Peter de Haan, Hunter, Volant, Shirley, Sutton, Vardy, Pears, amongst others – a list which could also serve as a roll-call for some of the UK's most successful modern entrepreneurs.

Major new European foundations<sup>1</sup> include the Bertelsmann Stiftung in Germany, Fundação Ilídio Pinho in Portugal, Free Deed Foundation in Russia, and the Schwab Foundation for Social Entrepreneurship in Switzerland. The extensive network of Soros Open Society Foundations, has been established in many Central and Eastern European countries with core funding from the US, though now attracting funds from indigenous donors.

### **Emergence of a charitable family foundation infrastructure**

Growing awareness of family foundations as attractive, flexible and creative vehicles for modern philanthropy is reflected in a slowly emerging new infrastructure of family foundation support organisations. Until recently, charitable family foundations received little attention except in the US. For example, the US Foundation Center has published regular annual headline statistics on trends amongst the largest family foundation donors for some years. Other US resources include Changemakers' Family Foundation Initiative, the National Center for Family Philanthropy, and Council on Foundations' family foundation conferences and publications. The Andrew Carnegie Medals of Philanthropy, instituted in 2001, makes awards to individual and family philanthropists. The award took on an international dimension when it was held outside the US for the first time in 2005, in the Scottish Parliament. (Scottish Parliament, 2005)

UK interest has traditionally been low-key and confined mainly to a few private family financial advisers. Campden Conferences has run Family Philanthropy Forums for some years, but recently some new intermediary services have emerged, such as the Institute for Philanthropy, which supports individual donors in their giving, and runs The Philanthropy Workshop (TPW) and other educational initiatives. New Philanthropy Capital (NPC) has taken a lead in providing information portfolios to guide donors in choosing beneficiaries, and its recent research shows that foundations are the most popular vehicle for philanthropic giving amongst the wealthiest high net worth donors. (NPC, 2007). Private banking services such as Coutts and UBS are increasingly providing philanthropy services to clients, as well as Swiss-based private firms such as the Family Business Network, and IMD-Lombard Odier Darier Hentsch, which

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<sup>1</sup> There are also a number of extremely large new non-profit foundations in Europe founded by family business owners with total or majority ownership of the assets of major businesses. These include, for example, the Sandoz Fondation de Famille, the Fondation Hans Wilsdorf and the Stifting INGKA Foundation established by Ingvar Kamprad, the founder of IKEA. Such foundations have not been included in the table because of the complicated structure of their role, finances and corporate holdings. If included they would swell the assets figures for European foundations by many billions.

established the Distinguished Family Business Award in 2006 for excellence in collective family business giving.

## **Methodology**

To undertake a comparative review of family philanthropy across the US, UK and Europe, feasibility in data collection and comparability itself were important factors. Although there are few systematic sources outside the US on major philanthropic donations per se, there are several sources of published data on foundations, including family foundations.

*Sample and approach* It was decided to restrict the comparison of levels of giving of the largest 100 charitable family foundations in the UK, rest of Europe and US. Firstly, the largest 100 trusts provide a substantial sample of all charitable family foundation giving by value, because of the dominance of a small number of very large foundations in each country. For example, the Wellcome Trust alone accounts for 13% of all charitable foundation giving in the UK. The largest 100 charitable family foundations in the US account for one-fifth of all family foundation giving.

*Data sources* Secondly, it was assessed that an initial restriction to the largest 100 organisations in each region would make the research feasible, taking into account factors such as the availability and consistency of data, and variations in currency, and language. Partly for reasons of cost, and partly as an object exercise in the scope for using charities' published accounts, data on annual grant-making was derived entirely from secondary sources which compile figures from published accounts: it mainly covers 2005 and 2006 accounts, with a few from 2004.

US data was entirely provided by the Foundation Center, which publishes excellent annual statistics on all types of US foundations. UK data was compiled principally from a number of published foundation directories which draw on foundation accounts submitted mandatorily to the UK Charity Commission. However, the relatively new Office of the Scottish Charity Regulator (OSCR) publishes little financial detail and some Scottish trusts had to be approached directly. There is currently no central register in Northern Ireland, although a Charity Commission is in the process of being established.

Published private foundation data is generally much less available for other European countries. Public disclosure is generally not compulsory and reporting requirements, conventions and standards for foundations vary considerably. There are several gaps in the data on the largest 100 European foundations, notably in relation to assets, and updated annual figures for charitable expenditure. However, although the European foundation data may not be as fully comparable or comprehensive as that for the US and the UK, there is no specific reason to think that it is not a valuable indicator.

While reasonable care was taken to ensure data quality, omissions may arise from limits on data sources, variations in practice, and lack of precedent for the tables compiled. (A full list of data sources and other references is provided at the end of the report).

*Criteria for inclusion* It was decided to include only family foundations established in the latter part of the 19<sup>th</sup> Century and onwards. This allowed for the inclusion of the great era of family foundations in the US and the UK, while to go back further historically would have meant including foundations where the link with the original founding family and context is now tenuous. Common cultural and economic contexts, it is argued, allow for broad comparability between the UK, the rest of Europe and the US.

*Definitions* For the purposes of the research, charitable family foundations were seen as a specific sub-category of charitable foundations whose defining features are:

- a non-membership-based organisation
- institutionally detached from government/ public agencies in terms of autonomy
- a non-profit-distributing entity
- a self-governing entity
- accepted as serving a charitable public purpose.

Their main activity is grant-making, to charities, individuals and other public benefit institutions for whom they represent an important source of sustainable and independent support. Family foundations are private, funded principally by the personal gift of a family business or family, often with the donor or family members having a position on their board of directors<sup>2</sup>.

Figures for charitable giving include charitable expenditure on grants to organisations and individuals, and on programmes, but exclude certain 'support costs' where identifiable. The UK charities' SORP (Statement of Accounting Practice, Charity Commission, 2005) distinguishes between support costs *directly related* to the internal running of programmes, which can legitimately be regarded as part of direct charitable expenditure, and those costs related to the institution's own administrative overheads and *not directly* related to specific programmes. While the latter may be regarded by some also as charitable expenditure, their inclusion makes comparability difficult because costs vary considerably by type of foundations. Exclusion of support costs meant the UK data was more comparable with the available US data: fully comparable information foundations in the rest of Europe was unfortunately not available.

## **Findings on family foundation giving**

*Amounts* The research found, not surprisingly, that US charitable family foundations give more than those in the UK and the rest of Europe. It also found, however, that in the UK family

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<sup>2</sup> The US Foundation Center identifies family foundations using several objective and subjective criteria. These criteria include independent foundations with 'family' or 'families' in their name, a living donor whose surname matches the foundation name, or at least two grantmaking foundationee surnames that match a living or deceased donor's name, along with any independent foundations that criteria include independent foundations with 'family' or 'families' in their name, a living donor whose surname matches the foundation name, or at least two grantmaking foundationee surnames that match a living or deceased donor's name, along with any independent foundations that self-identify as family foundations on annual Foundation Center surveys. A similar approach was taken to identify UK and European family foundations for this project.

foundation giving constitutes a much higher share of all foundation giving than in the US. In other words, UK family foundations are more stretched to meet social needs. Key results from the research are set out in Table 1 below.

**Table 1: Total giving of the largest 100 charitable family foundations in the US, UK and rest of Europe (source, Pharoah, 2008)**

	<b>UK</b>	<b>Rest of Europe</b>	<b>US</b>
	£m	£m <sup>1</sup>	£m <sup>1</sup>
<b>Total giving of largest 100 family foundations</b>	908	1,257	3,046
<b>Average giving amongst largest 100</b>	9.1	12.6	30.5
<b>Total giving of ALL foundations</b>	2,700 <sup>3</sup>	N/A	21,460 <sup>1,2</sup>
<b>Giving of the largest 100 as % of all foundation giving</b>	33.6%		14%
<b>Family foundation giving as % of GDP</b>	0.07%	0.02%	0.04%

Notes to the tables

<sup>1</sup> Most of the available UK and other European published figures related to the calendar years 2005 or 2006, or the financial year 2005-06. US data related to the years 2004 and 2005, and to ensure comparability, aggregate figures were adjusted to allow for growth between 2004 and 2005 at the average foundation growth rate published in Foundation Center statistics. EUROS and dollars were converted to sterling using FXHistory: historical Interbank currency exchange rates, OANDA Corporation 2007, at a selected mid-point for the research data of June 2006.

<sup>2</sup> Foundation Center and Giving USA, 2007.

<sup>3</sup> Figure for total giving of top 500 UK charitable trusts 2005 (Charity Trends 2006): these trusts represent the vast majority of the value of trust giving in the UK.

These figures show that the largest 100 family foundations in the US gave over £3 billion in 2005/06, well ahead of their counterparts in the UK at £908 million and the rest of Europe at £1,257 million. In other words:

- the aggregate giving of the largest 100 US family foundations is well over three times that of the largest 100 UK family foundations;
- the aggregate giving of the largest 100 US family foundations is almost two and a half times that of the largest 100 family foundations in the rest of Europe.

There are, of course, likely to be several reasons for such variations in levels of giving, each of which merits further research in itself. Factors might include the very different attitudes towards philanthropy internationally. The US has a culture within which major philanthropy is expected, publicly acknowledged and celebrated. Different, social democratic, traditions within Europe have meant stronger emphasis on public redistribution of wealth, and some distrust of institutions such as private foundations. Another factor may be the impact of the different international tax-regimes for charitable giving. Surprisingly there is no systematic research on this; although Grant and Driscoll (2008) are working in this area, commissioned by the (UK) Charity Treasurers' Forum. Many commentators believe that higher levels of US giving are due to a particularly beneficial regime of personal income tax-breaks available to donors when they make charitable gifts. The UK also has a substantial set of personal income tax-breaks on charitable giving, but the distribution of benefit is complex and split between charities and donors. Although most other European countries offer tax reliefs on charitable gifts, there is considerable variation in the types of organisation eligible and the level of relief is often low.

Finally, national differences in wealth have to be considered: average annual per capita GDP was higher in the US than in both the other areas at the time of the study, at £24.6k in US, £18.7k in UK and £16.2k in the rest of Europe. (GDP per capita, PPS, Eurostat 2005, converted to sterling at Dec 2005 Interbank rate).

*Contribution* A perhaps more surprising finding, however, was that family foundations constitute a much higher share of all foundation giving in the UK than they do in the US

- The largest 100 UK family foundations contribute almost one-third of all UK foundation giving (33.6%), as Table 1 shows.
- This is a much higher proportion of all foundation giving than that represented by the largest 100 family foundations in the US at 14%.
- UK foundation giving depends much more heavily on the contribution of a small number of leading family foundations than US foundation giving does.

One reason for this finding is that the contribution of corporate foundations (and of corporate giving more generally) to charity income is much lower in the UK than in the US. Corporate foundations represent a major strand of foundation giving in the US.

*Number* The results also show that the 100 largest family foundations represent a larger share of foundations by number as well as value in the UK than in the US.

- While the largest 100 US family foundations constitute just 0.1% of all foundations by number, in the UK the largest 100 family foundations are around 1% of all foundations\*.
- The UK does not have the sizeable body of medium to small-sized family foundations, many created over the last 10 years, which has swelled US family foundation giving and which contributes four-fifths of all US family foundation giving.
- This means that there is more pressure on the 100 largest family foundations in the UK to meet needs than in the US.

\* See footnote 2 above

*Skew due to large foundations* In both the US and the UK, and to some extent Europe, the shape of the foundation world is of a tiny number of very large family foundations which have a significant impact on results. Figures were therefore re-estimated excluding the Wellcome Trust from the UK data, and the Gates Foundations from the US data. But while removing these giants from the figures has a considerable effect on the results, it remains the case that family foundations in the UK contribute a higher proportionate amount to total foundation giving than in the US. Without Wellcome, the largest 100 family foundations in the UK still contribute 25% to total foundation giving, more than twice the 11% contributed by their counterparts in the US after Gates is excluded.

**Family foundation giving as a share of GDP** The results in Table 1 also show that the giving of UK charitable family foundations represents the highest share (%) of GDP. The giving of the largest 100 UK family foundations is worth 0.07% of GDP, higher than 0.02% for the rest of Europe and 0.04% for the US. It was concluded from these findings that although the largest 100 UK family foundations give less in total than their US and European counterparts, they make a higher proportionate contribution to philanthropic activity.

**Assets** Looking at comparative assets in this study was of limited value, partly because figures were only available for 37 European foundations, but also because the data was insufficient for confirming whether asset values represented endowments or simply working reserves and fixed assets. With this health warning, the figures broadly suggested that the assets of the largest 100 US family foundations (by giving) are around twice those of the UK and the rest of Europe. They were worth £55.8 billion in the US, as compared with £26.3 billion in the UK and £26 billion in the rest of Europe. Some US commentators believe that foundations hoard their assets, taking a conservative position. The US rule that foundations spend 5% of their assets each year has led some foundations to increase their spending, but has also allowed some to do no more than this. This is another area for further research. A clear result, however, was that 78% of the assets of UK foundations are held by family foundations, compared with 17% in the US. This further underlined the conclusion that the UK foundation world depends heavily on family foundations for its assets.

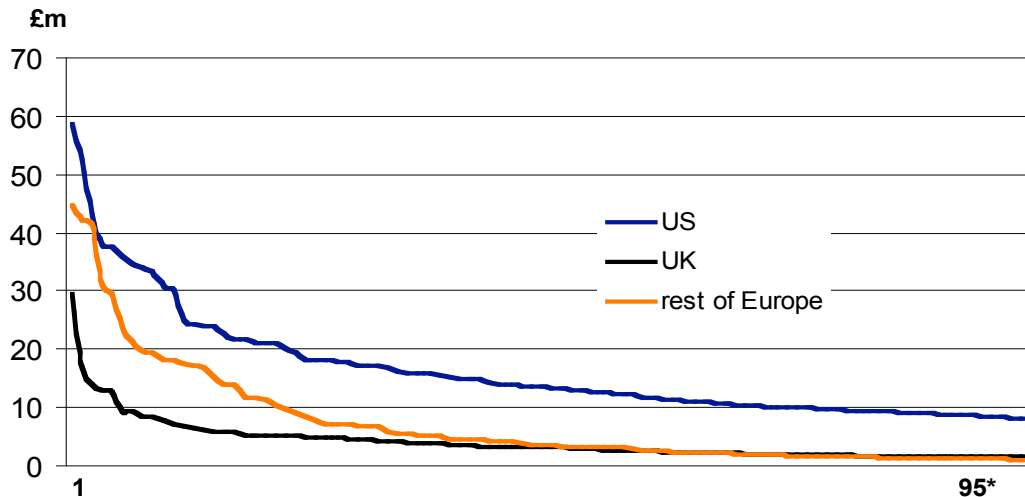
### **More stretching targets for giving ?**

This research has suggested that charitable family foundations continue to have an extremely important place in today's philanthropy. In comparing levels of philanthropy through charitable family foundations in the US, UK and the rest of Europe, the results have shown that while US charitable family foundations give considerably more than those in the UK and the rest of Europe, and have a much higher asset base, those in the UK appear to be carrying a much larger share of responsibility for funding charitable activities in the UK. The analysis suggests that philanthropic activity in the UK depends fairly heavily on a small number of large family foundations.

If future UK philanthropy is to strengthen and grow, there appears both a need and scope for more charitable family foundations to make a bigger contribution than hitherto. Just 15 of the largest UK family foundations identified in the research give around the minimum £8m level which would be needed to get into the US largest 100 table. This compares with around 30 recorded at this level for the rest of Europe.

The UK giving curve shows a fairly rapid fall into a long tail of foundations giving in the range of £2-3 million, in comparison with the US table which shows a more even drop through the giving ranges (See Figure 1).

**Figure 1: Comparative distribution of giving of largest family foundations\***  
(Source: Pharoah, 2008).



\*Figures exclude the top 5 in each country because of their 'skewing' effect on the data and the chart.

While a family foundation might conjure up images of great wealth and the multi-million dollar endowments of Rockefeller and Gates, the typical US one is actually fairly modest. It is interesting to note that only around 11% of family foundations in the US give more than one quarter of a million pounds. The significant growth in medium-sized and smaller family foundations over the last decade in the US sets a precedent for the UK. An infrastructure to support such growth is developing in the UK and we may see more stretching targets for giving being achieved.

### **Giving strategically: directions of family foundation giving in the UK**

Charitable family foundations provide a vehicle through which donors can develop strategic approaches to philanthropy, benefiting individuals and families who set them up as well as beneficiaries. Creating charitable family foundations also brings challenges. Some UK commentators believe that overly-bureaucratic procedures for setting up smaller trusts in the UK present a barrier to their growth, and this issue may be worth further research, alongside a study of the factors which inhibit or could promote further family and family business foundation giving.

For a family-business owner dealing with philanthropy, the process may also be complex. More than just one person's values and philanthropic desires have to be taken into account. Will giving be done as a business or as a family? (This in itself begs questions as to whether and where the boundaries between family and corporate philanthropy become blurred.; and how academic and practitioner research can best categorise or typologise these institutions.) Whilst

intermediary organizations, both charitable and private business-based, may help resolve individual and family questions and dilemmas, their role in exhorting new entrants into family philanthropy will be likely to be increasingly uncertain. In a conference in Bristol in November 2007, for example, the Beacon Fellowship<sup>3</sup> together with the regional community foundation explored family philanthropy with interested parties, asking whether for younger generations, philanthropy would be regarded as “a birthright opportunity, an enriching and rewarding experience or an obligation?” In a variety of giving contexts, the role of ‘obligation’ as a giving rationale creates problems as well as opportunities, and may not on its own bode well for an increase in the number of new family foundations; nor with its possible accompaniment, guilt. (See Hibbert et al, 2007).

Modelling a direction of giving as well as embracing a particular institutional structure may also be important in encouraging family philanthropy growth. In which areas in the UK therefore are family foundations and foundations generally spending their funds? A new analysis of UK foundation spending, published in October 2008, gives important indications. (Pharoah, 2008A) Two of the UK’s largest foundations are the family foundations, The Wellcome Trust and The Gatsby Charitable Foundation. Wellcome’s funding is almost exclusively dedicated to health and bio-medical research, also a major priority for Gatsby, although it has a wider spread of spending across its total portfolio. In addition to this, several of the UK’s other largest foundations, who are also family foundations, have dedicated major portions of their funding to scientific and other academic research. This group would include the Garfield Weston Foundation, the Wolfson Foundation, and the Leverhulme Trust. (All these trusts are in the top 10 UK foundations, representing a very large share of UK family foundation spending.)

It has been estimated that no more than half of the funding of the largest 300 charitable foundations in the UK is available for general charitable purposes, and local and community organizations. Table 2 shows the distribution of funding across charitable causes in the UK, clearly demonstrating the dominance of health and other research.

	%
Health	35.9
Education, research	19.4
Social services	16.5
International	7.7
Religion/ faith	7.6
Arts, culture, sports	5.8
Conservation	3.1
Housing and community affairs	2.5
Civil rights, citizenship, law	1.4
Business and professional	0.1
Total	100.0

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The Beacon Fellowship is “the first and only Fellowship scheme to actively support and encourage an improved culture of giving in the UK. Membership of the Fellowship is limited to Beacon Prize winners”.  
<http://www.beaconfellowship.org.uk/fellowship.asp>

This data provides evidence that foundation resources in the UK, (which are predominantly family foundation resources) already show a fairly thinly stretched budget in many key areas of charitable activity. Moreover, they highlight the extent to which leading fields of funding are also those where there is also significant state investment, suggesting extensive supplementation or demonstration projects, or even collaborative working.

### **The stretch concept**

Against this background of the significance volume, proportion and direction of spend, UK family foundations face a demanding period. Will family foundations generally be able to sustain their giving levels (especially as a proportion of the overall foundation spend in the UK) take on (or take over) the roles of other (corporate) foundations, which find themselves in difficulties, even facing closure? (The funding commitments of both the Lehman Brothers Foundation and the Lehman Brothers Foundation Europe are a current case in point.) Will grantmaking strategies in family foundations remain as aspirational as they appear in some cases, impressionistically, to be? Is a stretching of family foundations' commitments – in terms of retaining goals as funding streams fall in yield, or of extending and making new goals in spite of funding uncertainty likely to be seen? The application of the concept of 'stretch' in a strategic sense comes from the management literatures, where the argument was made that a deliberate effort to focus on higher level goals had the capability to improve performance; and ultimately the 'stretch goal attainment'. Thus Kerr and Landaur (2004,134) emphasise that stretch goals are "by definition goals that you don't know how to reach". In the nonprofit literature, Sawhill and Williamson (2001) report on a nonprofit's response to "mission impossible".

Thus stretch goals offer the presumed low probability of goal accomplishment., and are characterised as "virtually unattainable ..." (Thompson *et al.*, 1997, 48). Some may take the position that with the use of "... stretch goals, by definition you can't have a high degree of success" (Sherman, 1995, p.232). Balanced against this approach is the likelihood of innovative working and new levels of achievement. 'Stretch' as a verb indicates ideas of flexibility, lasting longer than expected and making demands; as a noun, it indicates a difficult and demanding task (Concise Oxford Dictionary, online 2008). For family foundations (and especially if allowance is made for their often highly individualistic if not idiosyncratic giving choices, objectives and tasks), the opportunity offered by the stretch goal approach may exactly what is wanted in a period of severe economic downturn, when entrepreneurial decisionmakers should come in to their own.

Heskett (2008) has opened up on-line discussion on whether now is the right time to reassess the stretch goal concept, and draws in a range of debate – that it is a simply means of getting more for less, that it works better in organisations where some rules can be bent for gaining efficiency, that leadership and the ability to focus on longer term are part of its cultural requirements and that failure to achieve is an essential element in its encouragement. Some of these characteristics may be found particularly in family foundation contexts, whether in their crucial developmental stages when many features seem to be set (Gersick et al, 1999 and 2004) or in periods of transition, when inter-generational leadership change occurs. Given the relative giving burden among foundations which UK family foundations are shouldering, working towards stretch goals may be a logical if hazardous route; given Sherman's (1995, 231) perception that stretch goals are "...the far side of asking for miracles". A longitudinal study of

family foundations' strategic development and goal setting across this coming period of recession, to ascertain the nature and focus of the commitment of giving, would be a valuable addition to the developing scholarship for this field.

## Conclusions

How far can the level of family foundation giving in the UK be increased? The report on which this paper is largely based has attempted to set a benchmark for current comparative charitable family foundation giving in the US, UK and the rest of Europe, on the basis of which future reports can track change. Further collaborative research is already underway and will be published in 2009.<sup>4</sup> This will track annual trends in giving between 2005/06 and 2006/07, as well as collecting innovative detailed insights into comparative family foundation giving in Italy and Germany, where, in common with many other European countries, there is less transparency of foundation data than the US and the UK.

Yet within and beside these pressing concerns, the continuing theoretical uncertainties as to the nature and characteristics of the "family foundation" remain. Are they, for example, predominantly perpetual in intent and role, or passing, if critical, institutions? The continuing renewal of family foundations, across the generations, is a major characteristic of many, so that dynastic ambition and legacy can be seen as an essential element in their make-up. Yet other family foundations have planned short lives, some in the UK are spending out; and others face closure on the death of their lead donor.<sup>5</sup> How important are the interactions between family and non-family members in the development of these foundations, and in securing the extent to which a foundation can be said to be a fully 'family' foundation; or perhaps a "parent" foundation, overseeing but standing wisely back (or edged out of) decisionmaking. Where what are understood (also loosely) as "family firms" move instead in the world of "corporate foundations", where a far more closely tied set of goals between commitments to grantees and gains for the business are expected, how do family foundations retain their distinctiveness? What kinds of moral, social and value-based pressures are associated with the notion of the family foundation and especially exhortations to establish new foundations?

Litz and Stewart (2000, 145) in their study of family forms and community involvement use the phrase "the enigmatic family firm" and this phrase might equally well be applied to family foundations themselves as their choices and decisions are under public scrutiny, and, often, intense public expectations. In the context of global downturn and recession, the one certainly may well be that family foundations will *not* be facing "business as usual". Whether, in the UK context and the defiant language of businesses in the London Blitz, they will be able to say "we never closed" remains a continuing focus for empirical and theoretical research.

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<sup>4</sup> This research is supported and advised by the Pears Foundation in the UK, and involves a collaboration between Cathy Pharoah, Cass Business School, City University, Giuliana Gemelli (University of Bologna); Rupert von Strachwitz (Maecenata and Humboldt University, Berlin).

<sup>5</sup> For example, Dame Stephanie Shirley is recorded as announcing her explicit wish that the Shirley Foundation is terminated within five years after her death and that funds remaining then go to the leading medical research charity at the time.

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