

# LGBT+ Fund Feasibility Study

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Prepared By I.G. Advisors, May 2019

# Executive Summary

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In 2018, Consortium commissioned I.G. Advisors (I.G.) to partner on a process of consultation and feasibility testing for the development of an LGBT+ specific funding mechanism in the UK. I.G. completed a literature review of relevant data, information and reports; Consortium conducted consultations with stakeholders from the funding, programmatic and fundraising sectors; and together the teams workshopped and fleshed-out three main models of how an 'LGBT+ Fund' might work, settling on a final choice. Key points from this study include:

- There is an undeniable need for action on the amount, the allocation, and the sources of funding for LGBT+ issues in the UK.
- Pooled funds are a well-established and impactful way to channel greater resources to a specific community, with several examples of success in the US and UK.
- LGBT+ groups in the UK have an appetite for disruption and innovation in this space, but primarily fear competition and replication of existing challenges with funders.
- LGBT+ specific or LGBT+ friendly funders in the UK believe this idea is a strong and needed one.
- A pooled fund that provides community foundation-like products to high value donors, whilst also engaging the public with thematic fundraising campaigns, is the best, most viable and least risky choice.
- A participatory model for the grant-making of the Fund is an essential component to ensure the Fund is truly representative and new, rather than a copy of existing structures or systems of power.
- Founding donations totalling approx. £885k are essential to launch and maintain the initial phase.
- The break-even point for the Fund is approx. £2.2m of programmatic income per year.

# Introduction

The LGBT+ Fund

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# Background & Aims

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In response to the needs of its Members\*, Consortium has for several years been considering how to encourage new funds into the LGBT+ sector to help promote the inclusion, and improve the wellbeing of, LGBT+ people and communities.

Consortium has also been evaluating its own role in this endeavour, particularly since becoming a funder itself in 2019 and delivering the LGBT+ Futures Grant Programme on behalf of the Government Equalities Office (GEO). With support from the National Lottery Community Fund and the Esmée Fairbairn Foundation, Consortium has now begun to formally assess the feasibility of a UK-wide LGBT+ Fund.

External consultants, I.G. Advisors, have worked alongside the Consortium team to undertake this study. The work has included research into existing LGBT+ giving initiatives and trends, consultation with a range of stakeholders, and mapping of potential models.

Consortium's aim is to make a case for a UK LGBT+ Fund, as well as determine its potential structure and governance, and assess its implications, costs and risks.

# History of LGBT+ Funding

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Data on LGBT+ funding, as with many issue areas, is patchy and very US-centric (as more funding is available in the US than in any other country in the world). However, some useful historical data includes:

- By 1969, there were about 50 gay and lesbian organisations in the US, but it was only in 1970 that an LGBT+ organisation received funding from a foundation.
- Since records began (1975), LGBT+ issues have represented just 0.12% of total US foundation giving.
- The huge turning point for the LGBT+ movement was the HIV/AIDS epidemic. Initial funding for gay rights came from individual community efforts in the 1980s to combat HIV/AIDS, and fill the vacuum left by global governments in terms of public health advice, care and research.
- 2008 was the first year LGBT+ issues gained more than 0.2% of global foundation giving.
- After 2008 the recession impacted LGBT+ funding, as overall global grant making declined, yet median grant sizes to LGBT+ organisations remained unchanged, showing fewer grants were being made overall.
- A recent decline in giving to LGBT+ causes is widely theorised to be a result of campaign wins for marriage equality in key philanthropic countries such as UK, USA and Ireland.

# Global LGBT+ Funding

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As with historical data, much of the information available for assessing potential 'trends' is US centric, although Funders for LGBTQ Issues and Global Philanthropy Project claim to have some global data points:

- 2016 saw an increase in funding of \$32.5m in the Global North, largely attributed to reactions to the Pulse Nightclub shooting in Orlando, and not considered to be an overall trend.
- LGBT+ funding remains small and has not grown in proportion to overall foundation funding or international aid, indicating it is unlikely to grow without intervention.
- 0.17% of foundation funding, and 0.04% of government funding, currently goes to LGBT+ issues.
- Data outside of the Global North is almost non-existent, due to stigma and criminalisation issues, as well as underreporting of associated funding (e.g. mental health, HIV programmes, etc.) .
- Although foundations awarded significant grants to support people living with HIV/AIDS and any related research, most of the funding was directed toward children, heterosexual women and international efforts, not lesbian and gay communities.

# Europe LGBT+ Funding - Challenges

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Despite the positive steps being taken in the UK as of January 2019\*, LGBT+ movements in Europe are shown to be growing, but reportedly only receive 5.79% of of the funding they need. Key issues reported by European LGBT+ groups include:

- **Lack of Funding:** one third of LGBT+ organisations have no external funding from foundations or government, meaning that funds raised from their own communities play a vital role for them.
- **Power of the Acronym:** organisations focussed on transgender and gender nonconforming people, or bisexual people, are more likely to have a budget of less than €5,000 than those that focus on LGBT+ people in general (three times as likely).
- **Supply & Demand:** the activities most likely to be fully funded (HIV care/prevention, documenting human rights violation, strategic litigation to advance LGBT+ people's rights) do not align with activities that LGBT+ organisations identify as priorities (community organising, communication to persuade the public of favourable attitudes to LGBT+ people, and legal or policy advocacy), the main reason being that funding opportunities to support their priority activities are simply insufficient.
- **Overdependence on Emergencies:** whilst emergency assistance to LGBT+ individuals is often underfunded, there is an over dependence on funding following public emergencies, with a lack of awareness of daily challenges faced by the LGBT+ communities (e.g. the focus on the Orlando shooting increased international funding for LGBT+ communities).

# UK LGBT+ Funding – Trends (1)

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Consortium's 2016 *Snapshot of the LGBT+ Sector* report resonates with the global challenges seen in other data sets. Key themes from Consortium's UK data, alongside other reports, include:

- Grants allocated to LGBT+ rights in the UK fluctuate over time, with £7.3m allocated in 2013, dropping to £2.2m in 2014, increasing to £8.6m in 2017, before plummeting to £2.7m in 2018 (GrantNav 2019).<sup>^</sup>
- 73% of LGBT+ groups reported decreasing (32%) or static (41%) income.\*
- 31% of groups saw an income increase, but only 36% of this subgroup reported it as sustainable.\*
- 80% of LGBT+ groups with static income had to deliver more work with the same money due demand.\*
- 50% of groups with a decreased income attributed it to cuts in grants and funding from local authorities.\*
- 42% reported experiencing a lower success rate with grant funding applications.\*
- 36% reported a lack of funding opportunities to apply to in the first place.\*
- 20% reported a major risk of shutting down in 12 months' time if funding didn't improve.\*
- 0.04% UK charity funding comes to Consortium members, yet estimated 7% of UK population is LGBT.

# UK LGBT+ Funding – Trends (2)

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Consortium's 2018 *Insight Report* further reinforces the data and trends highlighted in their previous reports:

- 34% of Consortium Members asked reported that they, or someone else, had used their own money in order to run services or offer support.
- +4.5m LGBT+ people, their friends, families and allies benefit from the work of Consortium's Members.
- 80% of Members asked reported an increase in the amount and diversity of people seeking services, support or access to social events.
- Volunteer numbers have continued to rise and have increased by 757 to 6205.
- 63% of members deliver their vital support and services on less than £20,000 a year. 33% of them operate on less than £500.

*"We are continually looking at our service offer in relation to our income."*

*"Only having one paid member of staff who is an Administrator, we always struggle with time to complete applications."*

*"Funders perceive no need for our work or it is not of high enough importance"*

*"One funder almost declined our application because we are an LGBT+ charity. They eventually decided to give us half of what we applied for."*

*"Finding someone to just fund a trans grass roots group is difficult because you have to be under the lgbt banner to get anywhere seemingly!!!"*

# LGBT+ Donors - Individuals

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Although there isn't much data available on individual LGBT+ giving specifically in the UK, we gathered the following data, which captures individual donors' behaviour in the LGBT+ sector more broadly:

- Only 11% of income in the UK comes from individual donations (compared to a charity sector average of 45.2%) (Consortium)
- Same-sex couples practice independent and partial-pooling financial management systems, in contrast to different-sex couples, who favor joint management. These systems yield more accounts from which charitable giving can occur.\*
- Same-sex couples' giving does not always follow the household's financial management structure, and many couples give both jointly and separately.\*
- Some same-sex couples use their giving as a way to give lesbian, gay, and bisexual people visibility and recognition as supporters of mainstream (non-LGBT) organisations.\*
- The estimated UK LGBT+ population is 4 million. Its purchasing power is \$150 billion.^

# UK LGBT+ Donors - Individuals (1)

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An online survey conducted by Consortium in March 2019 examined why and how LGBT+ people give to charities and good causes. Of the 195 people\* who responded about their giving over the last year:

- 43% said they had supported 2-3 different charities and 29% had supported 4-5 organisations.
- 70% donated occasionally, while 50% donated regularly. 44% had also fundraised for an organisation.
- 61% had given via JustGiving or a similar platform, and 36% via the organisation's website. 50% had given by debit or standing order and 40% at a fundraising event.
- 43% give regularly via direct debit; 20% prefer to give occasional donations; and 15% had given regularly in the past, but not currently. 12% prefer to volunteer than give money.
- 26% gave between £100 - £250; 22% gave up to £50; 17% £50-£100; and 11% gave £1k - £10k.
- 66% had given to LGBT+ charities and causes.
- 75% give to causes they have a general interest in and personally identify with. 30% give to local causes.
- 48% said that finding out more about the organisations and their work would motivate them to give.

# UK LGBT+ Donors - Individuals (2)

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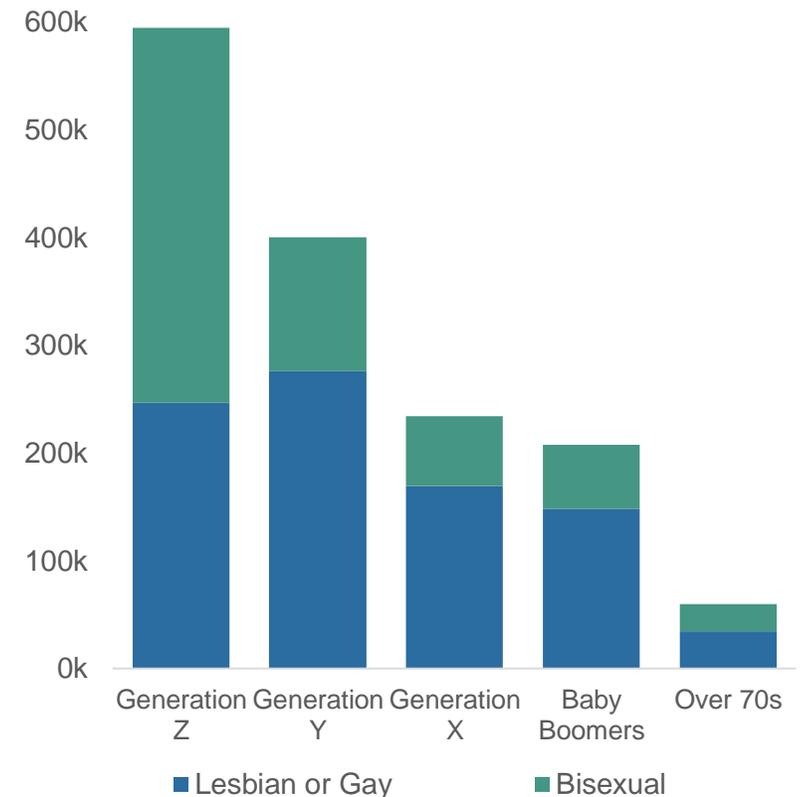
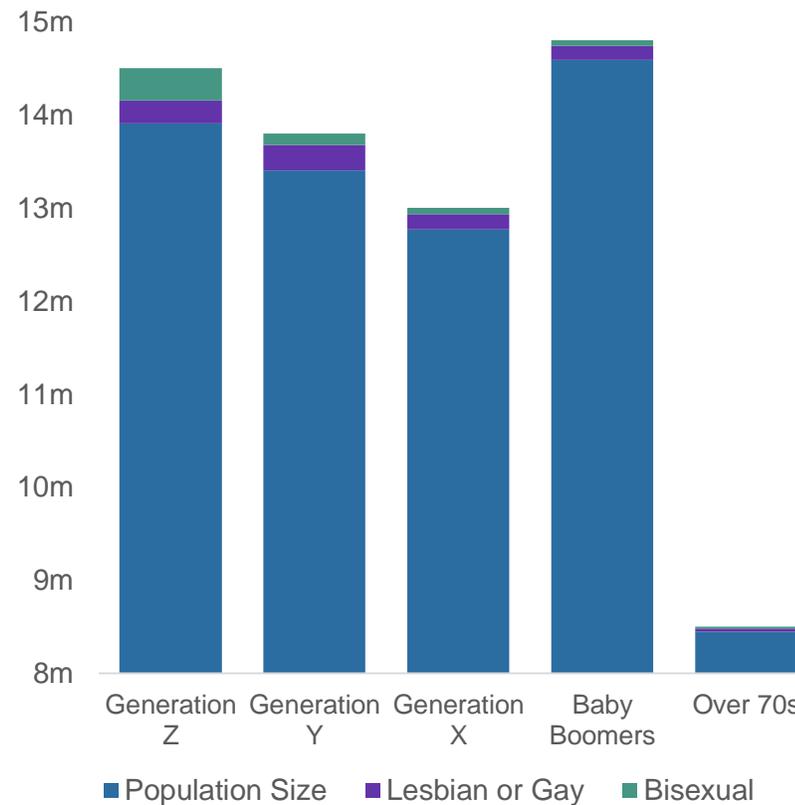
When asked 'why do you feel motivated to support LGBT+ charities and good causes?' survey respondents said, amongst other things:

- *"Because I want the world to be better for LGBT people."*
- *"Too few other people do."*
- *"While LGBT rights and support have come a long way in recent years, there's still a long way to go until people are properly supported."*
- *"Seeing clouds start to gather again is something I feel strongly we must stand against and make sure we continue to protect LGBT people everywhere, but especially the young."*
- *"The funding cuts have hit LGBT organisations more than many others, and at a time where LGBT hate crime, refused asylum, and general discrimination (particularly against trans people) is growing exponentially, it only seems fair. Also I am gay!"*

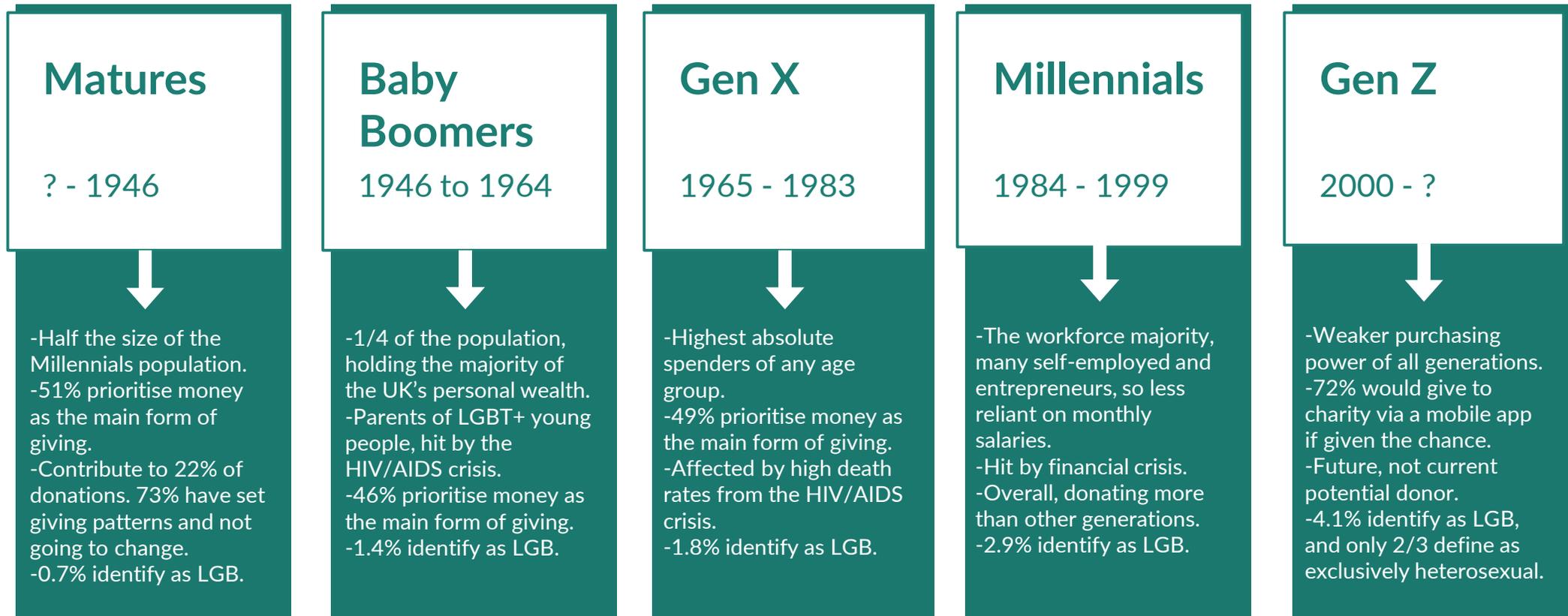
# UK LGBT+ Donors - Generations

The largest population of LGB people is under 40, despite the largest general population being Baby Boomers (age 55-70). This is due to lives lost to the HIV/AIDS crisis in the 1980s, and an increase in young people 'coming out'.

ONS is developing an appropriate model for estimating the population size of trans people in the UK, but government estimates 500,000.



# UK LGBT+ Generations



# UK Donors - Generations

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In the UK, charity support patterns by generation seem to differ from those of other countries, especially the US:

- The youngest donors (Millennials and Gen Z) are giving the most to charity (30%). This is because, at 17m residents, they outnumber the Mature generation.
- 73% of Matures (born before 1946) have set giving patterns and don't show signs of changing their habits.
- All generations share the top three priority causes: health, children and animals.
- Older donors prioritise money as their greatest form of impact. Gen Z/ Millennials are much more likely to contribute through peer-to-peer fundraising (17%) and volunteering.
- Younger generations are more open to a wide range of solicitation channels (e.g. radio/TV, cinema advertisements).
- Gen X engage in a variety of ways, including reading email newsletters, purchasing cause-related products or signing an online petition.
- Most Baby Boomers and Matures report minimal online contact with charities.

# UK Funding - Corporates

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Below are some figures on corporate giving trends in the UK:

- Corporate donations to UK charities are estimated at around £1.6b annually (out of £13b total).
- In 2012, cash donations made up 70% of the top companies' community support portfolios to charities. Since the 2008-9 recession, corporates have been shifting away from cash donations to in-kind giving.
- A small minority of corporate donors accounted for 68% of charitable donations in 2016, although they are giving significantly less than previously.
- In 2016, aggregate revenues of the FTSE 100 increased by 14%; aggregate donations increased by 1%.
- Healthcare and pharmaceutical companies are still the top corporate givers, accounting for 55% of donations in 2016. When the large product donations of these companies are taken out of the equation, however, the financial and mining sectors dominate.
- Too little data on corporate funding to LGBT+ in the UK is available. However, these are some of the main companies supporting UK-based LGBT+ organisations: Lloyds, Barclays, Absolut, Prudential, Virgin Money, EY, Primark, Blackrock, Aviva, ebay, Asos, Adidas, Aon, Manchester United, Sky Sports, Visa.

# Spotlight: Corporates Funding LGBT+

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The following are examples of corporates who openly support LGBT+ organisations in the UK. They tend to fund specific programmes or campaigns that are directly or indirectly linked to their business focus or brand values, in order to get brand recognition:

- **Vodafone:** They launched the LGBT+ Friends Network to connect and support people on LGBT+ matters. In partnership with OutNow, they published multi-country and multi-sector research into the experience young LGBT+ people have when they start work.
- **Barclays:** they sponsor Stonewall's Global Diversity Champions Programme to help organisations provide thought leadership and resources to drive positive change.
- **Adidas:** they supported Stonewall and the Rainbow Laces campaign with a donation. They also sold the 'Pride Pack' in store.
- **Prudential:** they support Stonewall's Education for All conference, ensuring that teachers are given the tools and support to help improve the lives of LGBT+ young people across the country.
- **Macquarie:** they support the Pride network in EMEA, an extensive programme of events that has been rolled out for their staff. They also hosted City For LGBT+, a crowdfunding event organised in partnership with Consortium, GiveOut and The Funding Network..

# UK LGBT+ Funding – Forecast

In addition to current challenges for LGBT+ groups in the UK, several potential risks are on the horizon:

## Political Trends

Current socio-political-economic trends in the UK have serious implications for LGBT+ groups:

- The EU had allocated £5.5bn until 2020 to focus on equality issues in the UK. Brexit presents major risks for several LGBT+ groups relying on EU funding.
- Because of the rise of right wing politics in the UK and elsewhere, funding is going towards reactionary causes, and minorities – including LGBT+ people – are further marginalised.

## Precarious Private Funding

The limited investment seen from private foundations and donors could be impacted by:

- Public policy changes and events that limit or create other focus areas of philanthropy.
- Individual bias within the governance of major funding bodies.
- Under representation or low awareness of LGBT+ issues in the leadership of funding organisations.

## Individual Donor Challenges

The market size of people who are both willing and able to give to LGBT+ issues is already small, and may be further limited by:

- LGBT+ adults experiencing unique social, economic and health disparities, and therefore being unable to give at a higher level.
- A smaller number of wealthy donors and leaders in the LGBT+ sector, as a result of a generation of deaths from HIV/AIDS and violence.

# UK LGBT+ Funding - General Issues

As well as the general funding pool being relatively small, reports identify several common challenges that hold LGBT+ groups back from fundraising success:

**Prejudice and discrimination**  
which means less support  
and fewer services

**Lack of power** (minorities vs  
larger groups) to prevent  
cuts and affect decision  
making

**Capacity** in organisations  
where fundraising requires  
time and skills they do not  
have

**Lower 'popularity'** of LGBT+  
issues with charitable  
funders, and more reliance  
on public funding

**Public complacency**  
from misconceptions that  
equality has been achieved  
through same sex marriage

**Indirect discrimination** due  
to disproportionate impact of  
austerity on LGBT+ people

# UK LGBT+ Funding Challenges

A	Availability	<ul style="list-style-type: none"> <li>• Very few institutions have LGBT+ specific funding programmes, and existing ones are inconsistent and reducing.</li> <li>• Individual giving is disproportionately low in LGBT+ sector.</li> </ul>
B	Allocation	<ul style="list-style-type: none"> <li>• LGBT+ representation in the decision making of funding bodies is low, and the funding available for LGBT+ issues is not allocated to the needs, populations or activities where it is most needed.</li> </ul>
C	Proportionality	<ul style="list-style-type: none"> <li>• The demand for LGBT+ groups' services is growing, whilst income is shrinking - the funding available is not proportionate to the need in terms of population size, public cost, or need.</li> </ul>
D	Access	<ul style="list-style-type: none"> <li>• The processes and work required to access the available funding are too much for small LGBT+ groups to manage, success rates are low, and large LGBT+ brands take up a lot of funding space.</li> </ul>
E	Stability	<ul style="list-style-type: none"> <li>• Giving to LGBT+ issues is quite reactive, short-term, and often based on misconceptions. Funding levels go up and down, Brexit presents further drops, and there are no endowed LGBT+ funds.</li> </ul>

# UK LGBT+ Funding Opportunities

A	Next Gen Donors	<ul style="list-style-type: none"> <li>The proportion of (out) LGBT+ people is increasing with each new generation, as is the proportion of charitable giving. Younger people are more likely to give, and give to LGBT+ issues.</li> </ul>
B	Grassroots Knowledge	<ul style="list-style-type: none"> <li>Smaller LGBT+ groups have acute awareness and detailed knowledge of the diverse local needs of their communities, which could be used to influence and inform donors and policy.</li> </ul>
C	Grassroots Access	<ul style="list-style-type: none"> <li>Large donors often struggle to access frontlines and grassroots groups and projects, and small donors often only give locally to LGBT+ issues without an connection to the national context.</li> </ul>
D	Leverage	<ul style="list-style-type: none"> <li>Existing LGBT+ groups operate on very small budgets, so any investment in core costs or capacity building is likely to have a significant ROI if managed correctly.</li> </ul>
E	Collaboration	<ul style="list-style-type: none"> <li>Competition and a lack of collaboration holds LGBT+ groups back, using funds to incentivise collaboration could evolve this dynamic in the sector.</li> </ul>

# Pooled Funds

The LGBT+ Fund

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# Pooled Funds

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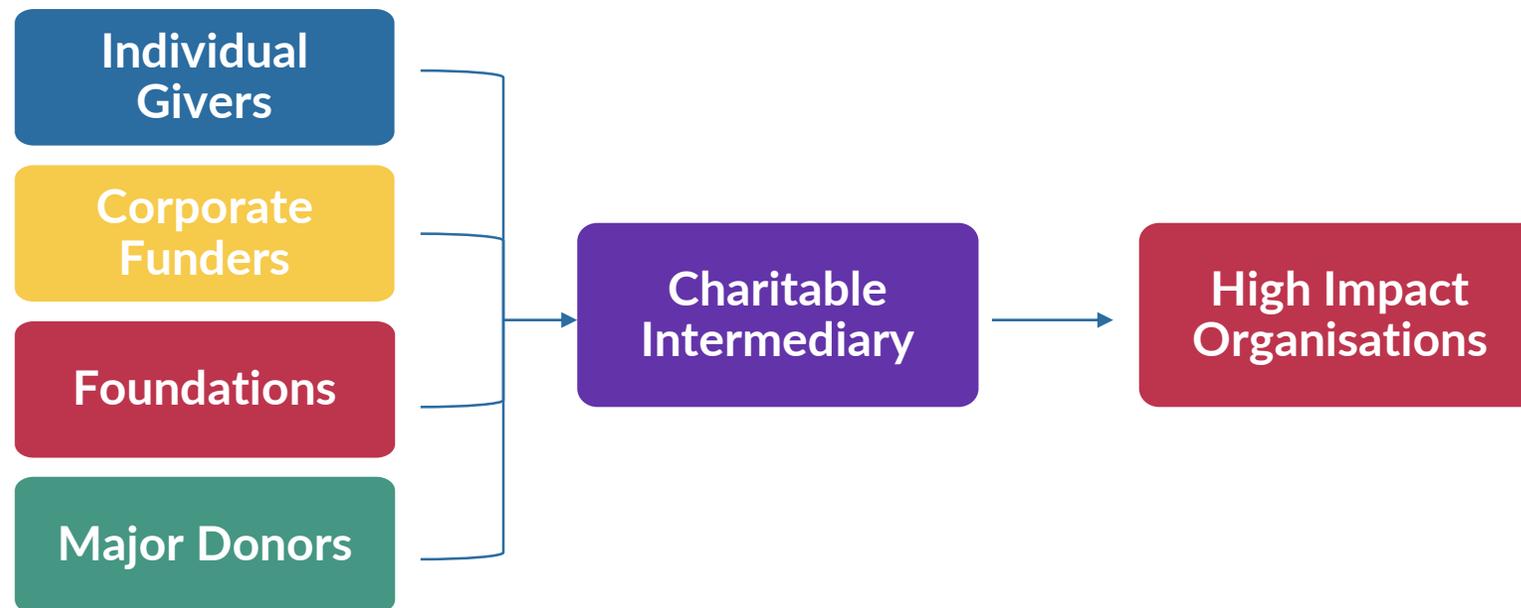
The aim of this section is to identify the main types of pooled funds, globally and in the UK, to highlight trends and learnings for Consortium to take into account when designing a pooled LGBT+ Fund.

After providing a general definition of the most common types of pooled funds available, I.G. will select a number of international organisations pooling funds for LGBT+ groups, and draw learnings from some of the initiatives that are most relevant for this specific exercise.

Finally, I.G. will identify key trends in the UK philanthropic landscape and outline types of existing pooled funds in the UK, focussing on some of the most relevant ones from which Consortium could draw valuable learnings.

# Pooled Funds – Definition

In a pooled fund, multiple donors make grants to a single entity, often a charitable intermediary, to have a greater and more coordinated impact on an issue. Funds are combined to create a larger pool, then redistributed to high impact organisations.



# Pooled Funds – Types

Some of the most popular and successful forms of pooled giving funds include:

## Community Foundations

Grant making charities with a focus on a defined geography. They bring together financial resources of individuals, families, and businesses to support charities in their communities. They vary in asset size.

## Giving Circles

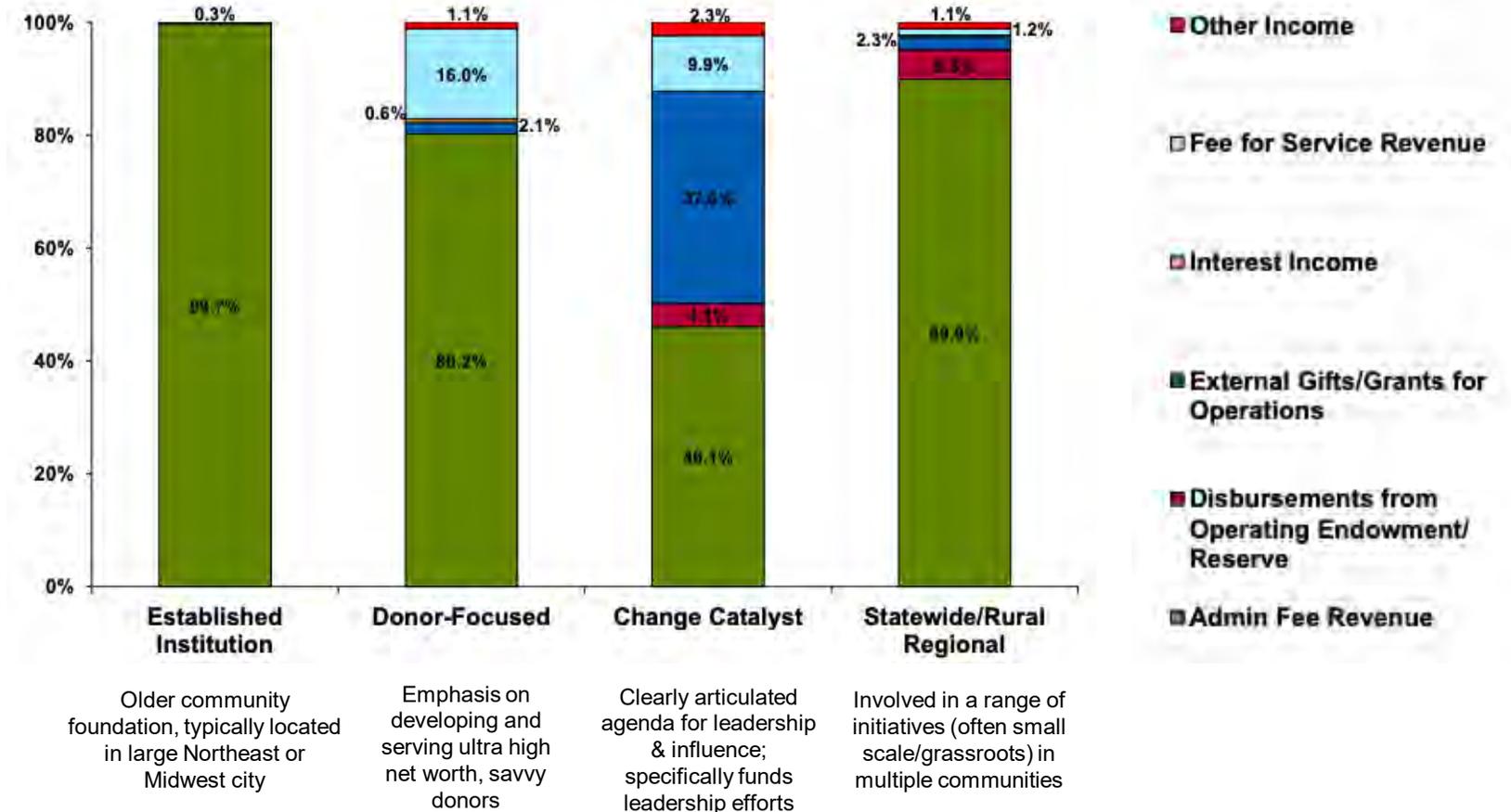
Philanthropic communities where members pool funds to make grants together, increasing the quantity and quality of philanthropy to achieve greater impact. Their sizes range from 10 to more than 1,000 people.

## Donor Advised Funds

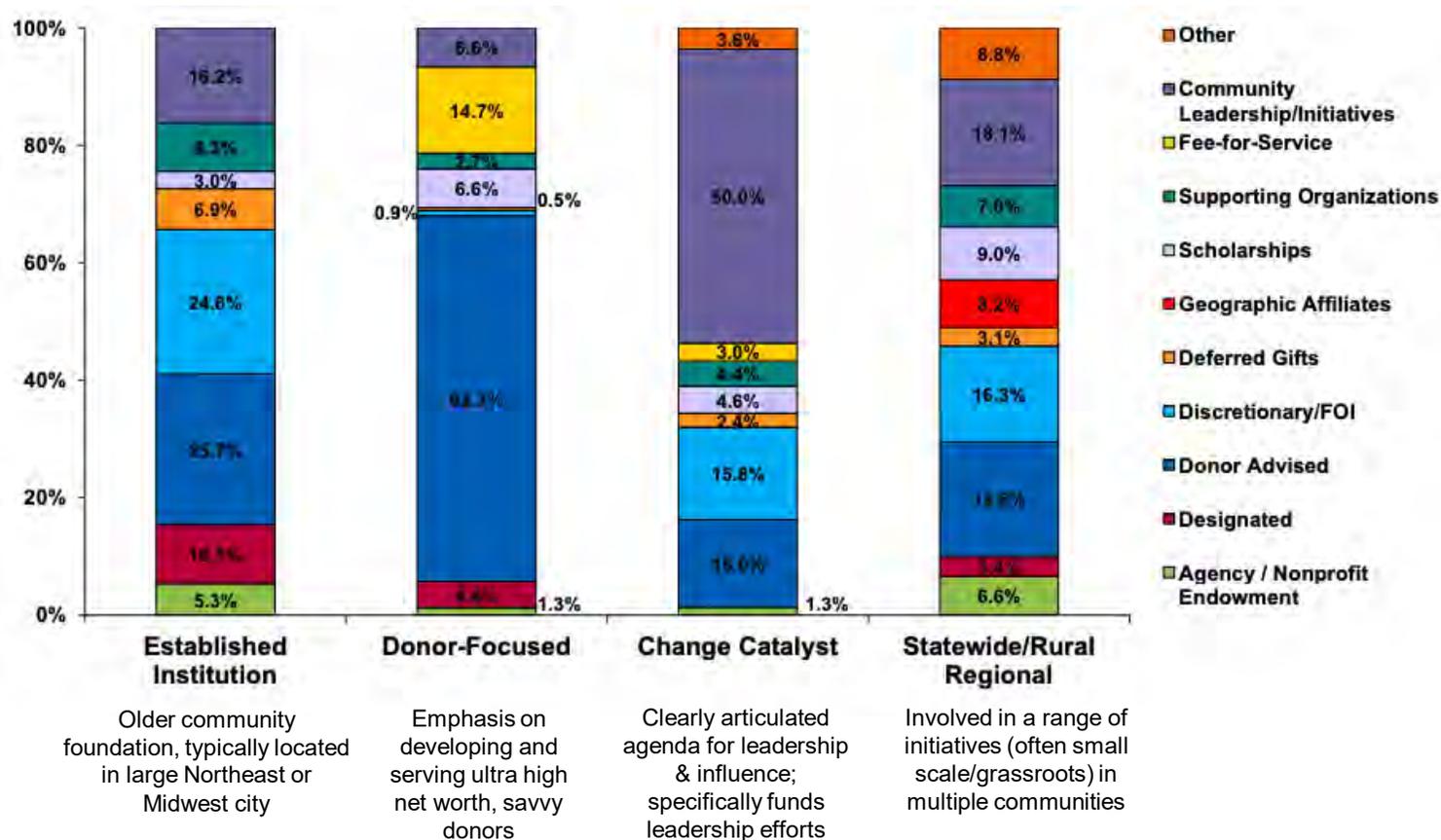
Giving accounts held within a larger umbrella provider (e.g. SharedImpact), allowing donors to contribute funds, receive an immediate tax benefit and give later. Individual donors can contribute to it as frequently as they like.

# Pooled Funds – Business Models (1)

The income-generating business models of pooled funds differ greatly, depending on their initial source of capital, whether they have an endowment, and whether they fundraise with impact narratives or ‘sell’ their products and services. There is little analysis of typical UK models, but CF Insights’ 2015 analysis of US community foundation models offers some ideas about the variety and distribution of approaches.



# Pooled Funds – Business Models (2)



Spending from pooled funds is so context-dependent that it is challenging to draw trends, but the CF Insights analysis also provides a proportional summary of giving types. The main learning from this data appears to be common sense: donor-focussed Funds spend most on ‘donor advised’ grant making, Funds established to push for rapid change invest most in community leadership and development, and over time the balance of spending evens out as Funds become more established and diversify their product offerings.

# Pooled LGBT+ Funds - Examples

Pooled funds for LGBT+ issues are almost exclusively found in North America, with the exception of the Elton John AIDS Foundation, which has offices in the UK and US; GiveOut, which is based in the UK but operates internationally; and the Rainbow Fund, which operates locally in Brighton, UK. The ten main LGBT+ pooled funds globally are:



# Pooled LGBT+ Funds – Types

The primary differences between pooled funds centre on controls over allocation, and geographic focus:

Organisation	Country	Fund Controls Allocation	Donors Control Allocation	Global Reach	Local Reach
Rainbow Campaign	US		•	•	
Pinkstart	US		•	•	
Elton John AIDS Foundation	US, UK	•		•	
GiveOut	US	•		•	
Astraea	US	•		•	
Greater New Orleans Foundation LGBT+ Fund	US	•			•
Community One Foundation	Canada	•			•
Funders for LGBTQ Issues (National Partnership)	US	•			•
LGBT Community Fund of South West Florida	US	•			•
The Brighton Rainbow Fund	UK	•			•

# Spotlight: Funders for LGBTQ Issues (1)

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As an example of what could be possible through pooled funding for LGBT+ issues, The National Lesbian and Gay Community Funding Partnership is an interesting case from the US:

- Ran in the US from 1993 – 2011 as a partnership between the Funders for LGBTQ Issues and a small group of national US foundations.
- Robert Crane, President of the Joyce Mertz-Gilmore Foundation, committed the founding \$750k.
- Funding included underfunded states such as Texas, Vermont, Michigan, Tennessee, New Mexico and Oklahoma.
- A request for proposal was issued to Community Foundations (similar to UK), challenging them to collaborate with their local communities to raise and distribute funds specifically for LGBT+ issues.
- A new model at the time – pooled resources from national foundations went to support local community foundations with matching grants, who then distributed support to local LGBT+ groups.
- More than \$9 million was invested in local LGBT+ work during the Partnership’s lifetime.
- Funders for LGBTQ Issues describe it as “changing the landscape of LGBTQ philanthropy.”
- The Partnership was brought to a close in 2011, after 18 years, because the investment earmarked for this programme was limited and the goal was for community foundations to eventually become self-sustainable by relying on local donations.

# Spotlight: Funders for LGBTQ Issues (2)

The Partnership set and achieved several specific objectives that align well with ideas of a UK LGBT+ Fund:

Increased awareness of  
LGBT+ people and issues

Activation of philanthropic  
resources to LGBT+ groups

Development of new  
programmes for LGBT+  
people

Strengthened infrastructure  
of existing LGBT+  
organisations

Incentive for community  
foundations to mobilise  
resources for LGBT+ people

Creation of a positive  
relationship between  
community foundations and  
LGBT+ leadership

# Spotlight: The Brighton Rainbow Fund

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Brighton & Hove's Rainbow Fund is an example of LGBT+ pooled fund based in the UK. It has the following features:

- It is a grant-giving fund for local LGBT+ and HIV/AIDS organisations based in Brighton and Hove.
- It receives financial support from individuals, groups and businesses (e.g. leading local LGBT+ bars, clubs and groups), the Brighton Annual Pride Festival being its largest fundraiser.
- It has a local focus, as it allocates grant funding to needs-led LGBT+ and HIV/AIDS voluntary sector groups, and supports its community development exclusively in the Brighton & Hove area.
- It supports a wide range of local LGBT+ and HIV projects and services focused on youth, older people, trans people, people affected by HIV, suicide prevention, reducing isolation through social activities, and other causes.
- It holds a main grants round each year, where decisions on allocating grant funding are made by an Independent Grants Panel.
- It is based on a volunteer system, with no salaries, offices or overheads to fund out of donated money.
- It advertises and promotes events organised by the local community to support the Fund or, more broadly, the LGBT+ cause.

# Pooled Giving – UK Trends

The following trends in the UK suggest that an LGBT+ Fund could be the right response to a changing philanthropic landscape:

## Increased Demand for Advised Giving

Wealthy individuals and families increasingly seek specialist advice to inform their philanthropy. DAF giving reached £372m per year in 2016 and is predicted to hit £1bn by 2026.

## The Rise of the Social Fundraiser

People are using social platforms to boost their fundraising efforts. The total amount donated to charity in 2017 was £10.3 billion. Online donations account for £26 in every £100 donated.

## The Importance of Local Philanthropy

Being closer to the ground and knowing where to give to get the most effective gains, community foundations act as leaders for local philanthropy.

## Increased Wealth

The number of very wealthy people is growing at a staggering pace both in the UK and around the world. However, many contribute relatively little.

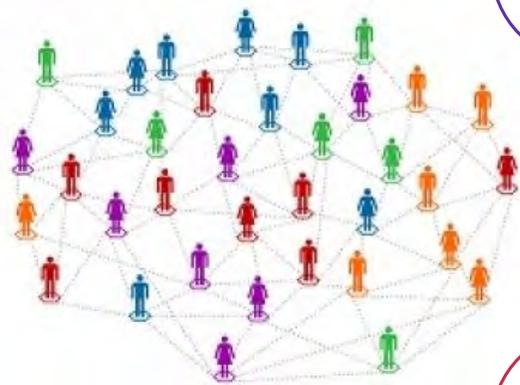
# Pooled UK Funds - Types

The following pooled funds are some of the most widely used ones in the UK. The primary differences between them centre on controls over allocation, geographic focus, and match funding:

Organisation	Match Funding	Fund Controls Allocation	Donor Controls Allocation	National Reach	Local Reach
London's Giving (by London Funders)			•		•
Crowdfund London	•		•		•
Pledgit	•		•	•	
The Big Give	•		•	•	
JustGiving	•		•	•	
LocalGiving	•		•	•	
Chuffed			•	•	
MuslimGiving			•	•	
Groundwork UK		•		•	
Hackney Giving		•			•
UK Community Foundation (using JustGiving)		•			•

# Pooled UK Funds - Features

I.G. reviewed some of the most widely used online pooled giving platforms in the UK. These are the key features that stand out from a comparison of the main models:



**Cause Neutral Platforms:** they either support any philanthropic cause chosen by fundraisers or define a broader range of issues they are trying to tackle.

**National vs Local Reach:** crowdfunding platforms tend to have a national focus, whereas those where the fund controls the allocation of the donations have a local focus (except for Groundwork).

**Interconnection:** some platforms rely on other platforms to raise funds (e.g, UK Community Foundation using JustGiving for payment processing). Others act as umbrella platform for local platforms (e.g London's Giving).

# Spotlight: Crowdfund London

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Crowdfund London is an example of a successful pooled funding platform in the UK for the following reasons:

- It gives the opportunity to pitch new ideas for community-led projects to improve local areas in London.
- Mayor of London and 5 other organisations help to bring project ideas to life by match funding relevant projects by up to £50,000 on the Spacehive platform.
- It organises workshops and provides all the relevant online resources to ensure applicants have the best chance of raising funds from the community and attract a pledge from the Mayor.
- It clearly explains the parameters used when considering whether to pledge to a specific project:
  - Quality of the idea (40%)
  - Deliverability (20%)
  - Value for money (20%)
  - Strength of support (20%)

# Spotlight: UK Trans People

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The UK trans community is an example of a subset group of the LGBT+ community that already uses alternative or more creative methods to make up for the lack of traditional funding:

- **Crowdfunding**
  - When typing the word 'transgender' on widely used crowdfunding platforms, hundreds of UK results appear.
  - The community fundraises to address issues affecting its members, including medical transitions, binders and specialist clothing, support for those estranged from their familiars, or funerals for those lost to hate crime.
- **ATH Fund**
  - Action for Trans Health (ATH) raise money for trans people from individuals or other organisations.
  - The funds raised are given away as small grants to trans people to help facilitate access to healthcare.
  - It is a fund open to all trans and gender variant people, and part of the fund is ringfenced for people of colour.
- **Gendered Intelligence**
  - They work with the trans community, supporting young trans people under the age of 21.
  - They raise money to deliver trans youth programmes and summer camps, support parents and carers, and provide professional development and trans awareness training for all sectors and educational workshops.

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Introduction

# The LGBT+ Fund

Moving Forward

# Case for Need

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Based on the literature review and research, there is a strong case for Consortium to develop some form of LGBT+ Fund in the UK. Key reasons include:

- There are several barriers to access to funding for LGBT+ groups, and a disconnect between the LGBT+ population size, the community need and current grant making and donations.
- Income volatility and economic uncertainty mean there is a need for creative strategies to increase and diversify income sources for LGBT+ groups.
- Capacity for fundraising often holds LGBT+ groups back; volunteers need more training and support.
- As public spending cuts increase, the survival of LGBT+ services depends on charitable donations.
- Centralised advocacy is needed highlight the issues affecting the sector, and the funding priorities.
- Underserved LGBT+ communities (e.g. trans) need greater representation and visibility for funding.
- The LGBT+ community experience in the US suggests a centralised giving fund specifically designed for LGBT+ groups, where individuals, foundations and corporations could fund work and add value.
- Online and pooled giving appear to be amongst the fastest-growing trends in philanthropy.

# Needs & Interests of LGBT+ Groups

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Consortium consulted 60+ LGBT+ groups about barriers to their fundraising. Three possible models – an online giving platform, a community foundation and a hybrid model – were presented, and feedback included:

- Existing online fundraising platforms are sufficient, but an LGBT+ specific platform could work if it's free or competitively priced, and doesn't cost Consortium a lot to establish and run.
- A grants-based model is welcome, as long as it can (a) generate new money for the sector rather than centralise existing funds; (b) persuade existing community foundations to give to LGBT+ groups, rather than drawing back from the sector, and (c) foster collaboration rather than competition.
- A lack of access and inclusion for LGBT+ groups in grant programmes, and the complexity of application processes, are both frustrating.
- Crowdfunding is perceived as a way of 'putting power into the hands of the people' rather 'faceless' grants committees, but some perceive it as a tool for 'younger' groups and not relevant to all.
- Consortium's role as a 'broker' is valued in (a) facilitating relationships with donors and partners; (b) drawing in matched-funding; and (c) bringing LGBT+ groups together for collaborative fundraising.
- Training and support in fundraising is much-needed, particularly for newer and smaller groups.

# LGBT+ Futures Fund (1)

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In 2019, Consortium is delivering the LGBT+ Futures Fund, distributing £400,000 to LGBT+ groups and organisations in England, thanks to funding from the Government Equalities Office. In the first round, £200,000 was awarded to 24 LGBT+ groups and organisations, with grants ranging from £1,000 to £19,000. However, Consortium received applications totalling four times the available funding. Funded work ranges from LGBT+ youth projects to several Pride organisations. The second and final round, open at the time of writing this report, makes a further £200,000 available with a focus on smaller organisations. Consortium has ring-fenced £20,000 for distributing in really small grants up to £2,000.

A survey of applicants to the first round identified a range of skills development needs, which are being met via a training and support programme, running concurrently with the grants. Priority needs were:

1. Income Diversification and Fundraising
2. Growing Your Organisation
3. Developing Strategies
4. Monitoring and Impact Measurement
5. Diversifying Your Audience

# LGBT+ Futures Fund (2)

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These are some of the example quotes from unsuccessful applicants, gathered during feedback phone calls with the Grants Officer:

- *“I can only imagine the scale of the demand and the many applications. Evidence of the great need for community support and interventions.”*
- *“If we don’t get additional funding this year, it’s likely we’ll have to close.”*
- *“We really [were] relying on the Fund's support in addition to local fundraising for the event to go ahead.”*
- *“It’s really helpful to be reminded of the core principles for the funding, and to know of all the great programmes that are making such a difference to the LGBT community. It can’t be easy knowing where to focus the funding.”*
- *“We’ve had some success [with applications in the past], but it seems to be getting harder.”*
- *“We only started in September last year so we didn’t have much experience. It’s the first application we’ve done that has been as in-depth, so all the feedback will really help us with more applications going forward.”*

# Needs and Interests of Funders

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A number of grantmakers and donors were consulted as part of the development of this report, including foundations and local authority grants and commissioning teams. Some key findings from these discussions include:

- Funders, even ones who specialise in LGBT+ funding, find it difficult to reach smaller, grassroots groups.
- Many Funders were shocked by the small size of the LGBT+ sector, proportionate to the LGBT+ population and need, as well as the average size and income of LGBT+ groups.
- Women's organisations were an oft-mentioned comparison to the LGBT+ sector, and Funders expressed surprise at the lack of LGBT+ specific funders in the UK and globally in comparison.
- Funders share a desire to better understand LGBT+ community needs and issues, with qualitative and quantitative data requested in applications to create insights, and proactive research into LGBT+ needs conducted by one respondent.
- Funders felt that *all* applicants for funding should be encouraged to be more inclusive and intersectional in their work, factoring LGBT+ needs into their planning and delivery, and funders could monitor this better.
- A centralised LGBT+ fund is considered a real area of opportunity to draw new support from existing funders, bring new donors to the table, and engage businesses and high net worth individuals, too.

# Objectives (Short and Long-Term)

The Consortium team brainstormed these objectives during our kick-off workshop for the LGBT+ Fund project:

## Short-Term

- Make life easier for organisations trying to address LGBT+ needs and issues
- Allow foundations to invest in something that reduces their workload in trying to address LGBT+ issues
- Improve collaboration in the LGBT+ sector
- Improve donor and community understanding of LGBT+ sector's needs
- Generate diversified and sustainable income sources for LGBT+ organisations
- Positively influence funders to be more strategic
- Increase access to funding, public fundraising and representation for smaller, local LGBT+ charities
- Increase and develop corporate partnerships with LGBT+ groups
- Get LGBT+ donors to give more to LGBT+ groups

## Long-Term

- Make entry-point easier/accessible for non-LGBT+ funding in the LGBT+ space
- Reach more people who are not part of the community and create allies
- Have a long-term vision and a plan to influence more
- Raise consortium's profile in the LGBT+/philanthropy/volunteering sector
- Become a trusted custodian of the community funds
- Use money more effectively to prioritise small/better LGBT+ organisations based on their outreach and impact
- Create an endowment for the LGBT+ sector
- Help LGBT+ organisations to pitch successfully
- Allow LGBT+ sector to profile its diverse needs and projects centrally

# Audiences – Income & Awareness

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In terms of meeting the objective of mobilising more funding for the UK LGBT+ sector, the following audiences are considered to be the targets for income and raising awareness of LGBT+ issues:

LGBT+  
Individuals

General Public

Foundations  
funding LGBT+ issues

Foundations  
funding intersecting  
issues

Foundations  
funding sector-building  
work

Businesses  
with vested interest in  
LGBT+ issues

# Audiences – Funding & Impact

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Based on these objectives, in terms of directing funding towards the LGBT+ organisations with the most need, and greatest current and potential impact, the following audiences are the priority for receipt of funding and support.

## Small LGBT+ Groups

*Grants, Capacity Building,  
Campaigns*

## Medium LGBT+ Organisations

*Grants, Capacity Building,  
Campaigns*

## Large LGBT+ Organisations

*Special Projects,  
Campaigns*

# Criteria for Success

From the research and consultations, it is clear that in order to establish a successful LGBT+ Fund of any kind, the following criteria must be met:

Credibility	Buy-in	Sustainability	Market & Brand	High Standards	Accountability
<ul style="list-style-type: none"> <li>• Sound processes and reasoning behind funding and programming decisions</li> <li>• Accountability and governance structures that justify speaking with authority on the needs of the sector</li> </ul>	<ul style="list-style-type: none"> <li>• Support from members and other LGBT+ groups who might consider this type of fund a threat</li> <li>• Support from groups who would need to engage with the Fund processes</li> <li>• Donors who 'get it'</li> </ul>	<ul style="list-style-type: none"> <li>• A model that sustains itself, including the costs of management and promotion</li> <li>• A model that does not recreate the fundraising issues faced by other LGBT+ groups</li> <li>• Founding donors to support the growth of the idea</li> </ul>	<ul style="list-style-type: none"> <li>• A market of donors who can and will give to LGBT+ issues, and mechanisms like this</li> <li>• A brand for the LGBT+ Fund that will command a national platform, and appear credible</li> </ul>	<ul style="list-style-type: none"> <li>• Improving standards in the sector through strategic giving</li> <li>• Not propping up underperformers, but nurturing development</li> <li>• Developing a robust and respected mechanism for giving</li> </ul>	<ul style="list-style-type: none"> <li>• Not replicating the mistakes of other donors in only funding large or already-successful groups</li> <li>• Ensuring funding is responsive to real need, and decisions are accountable</li> <li>• Strong, credible governance</li> </ul>

# Potential Models

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From initial consultations, workshops and idea generating sessions, the following three models emerged which will be further explored over the following slides (the names are working titles):



1. LGBT+ Giving  
*Online Giving Platform*



2. LGBT+ Community  
*Community Foundation*



3. LGBT+ Fund  
*Hybrid Model*

# 1. LGBT+ Giving - Overview

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## Description

An LGBT+ specific online fundraising and giving platform, like JustGiving

## Intended Audiences

LGBT+ people with capacity to give £10 - £50 per donation

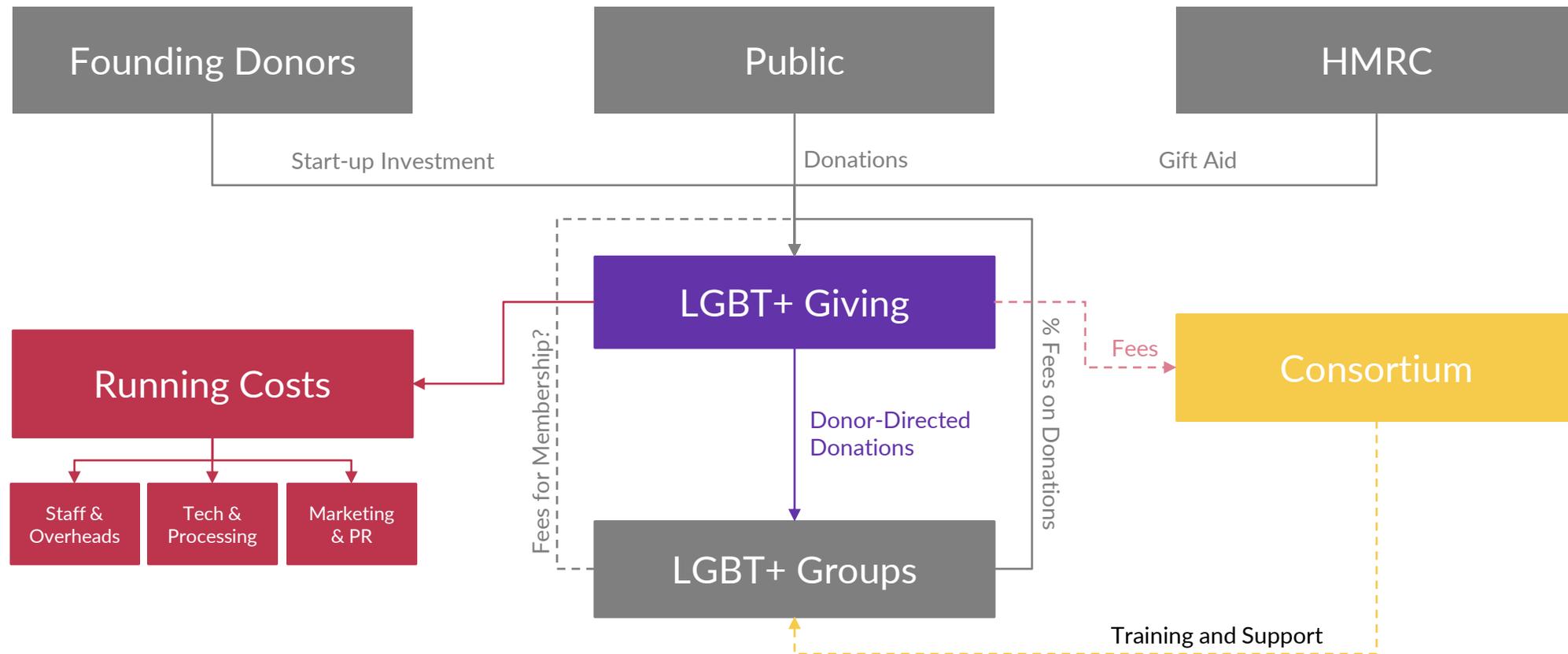
Small to medium LGBT+ groups wanting to develop their individual and community fundraising

## Intended Outcomes

LGBT+ donors are more easily able to find, give to and fundraise for LGBT+ groups

LGBT+ groups can more easily afford to use an online platform for fundraising

# 1. LGBT+ Giving – Business Model



# 1. LGBT+ Giving – Evaluation

Opportunities / Benefits	Challenges / Risks
<ul style="list-style-type: none"> <li>• Accessible for low level donors to find and give to groups</li> <li>• Potentially self-sustaining once developed, which is an attractive prospect for founding donors</li> <li>• Incentivising smaller groups to tap into the potential of online fundraising, and digital in general</li> <li>• Potential to raise public awareness of the LGBT+ sector if platform is highly visible</li> <li>• Could be utilised for themed giving campaigns once or twice a year e.g. LGBT+ youth, trans groups, older people, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Online giving is a highly competitive and crowded market, with very established frontrunners</li> <li>• Hard to define a USP for groups without impacting profit (e.g. fee-free)</li> <li>• Attraction to most platforms is brand awareness and access to a large public market, which is hard to develop from scratch</li> <li>• Technology must be near-perfect to attract and keep users, which is expensive to develop</li> <li>• If LGBT+ donors are not already finding and supporting LGBT+ groups on existing platforms, why would they come here?</li> <li>• Could replicate the giving patterns already seen across the sector by being too donor-led</li> <li>• High risk of losing money if unsuccessful</li> </ul>
<p><b>Conclusion:</b> Not recommended. Unlikely to quickly or easily meet the needs of the community, has high upfront costs, and did not elicit a positive response from LGBT+ groups we consulted.</p>	

## 2. LGBT+ Community – Overview

---

### Description

An LGBT+ community foundation, allowing large donors to establish named funds or donate to a general fund, with a grant programme to LGBT+ groups and organisations.

### Intended Audiences

Foundations

Businesses

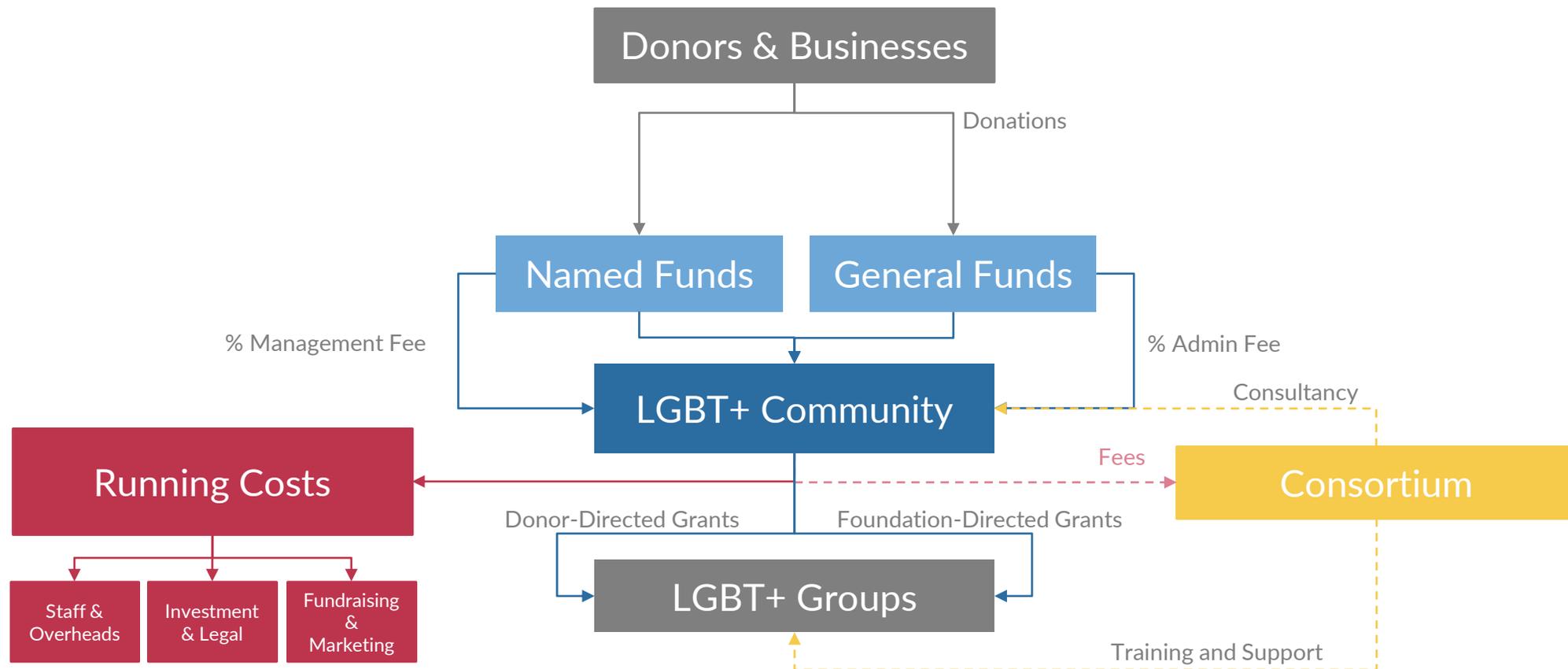
High Net Worth Individual LGBT+ donors

### Intended Outcomes

Donors and funders are more easily able to understand and support LGBT+ issues

LGBT+ groups can more easily access funding & support

# 2. LGBT+ Comm. – Business Model



## 2. LGBT+ Community – Evaluation

Opportunities / Benefits	Challenges / Risks
<ul style="list-style-type: none"> <li>• Low risk for Consortium – if the funds don't come in, it won't necessarily cost a lot</li> <li>• Establishes a national brand the LGBT+ community can easily get behind</li> <li>• Allows Consortium, and other stakeholders, to direct giving towards the most need</li> <li>• Gives large donors the ability to demonstrate their commitment to LGBT+ issues</li> <li>• Allows opportunity for grants criteria that meet the most 'unpopular' or marginalised needs</li> <li>• Tried-and-tested model of giving for community needs</li> <li>• Builds on Consortium's recent experience and profile as a grant-maker and experience of training / supporting groups to raise funds</li> </ul>	<ul style="list-style-type: none"> <li>• Needs to build up a target number of donors to meet costs</li> <li>• Needs to begin with investment in donor engagement and marketing</li> <li>• Relies on larger donors, and risks replicating some of the existing challenges of the sector in accessing these</li> <li>• Most likely to be donor-led or influenced, and therefore community engagement would be more challenging</li> <li>• Investment decisions may prove challenging</li> </ul>
<p><b>Conclusion:</b> includes attractive elements, but does not offer flexibility long-term, or community involvement. Refine or leave.</p>	

# 3. LGBT+ Fund – Overview

---

## Description

A pooled fund with a mix of donor- and fund-led allocation of funding to LGBT+ groups, that also potentially supports online fundraising and public giving.

## Intended Audiences

Foundations

Businesses

Individual Donors (small and large)

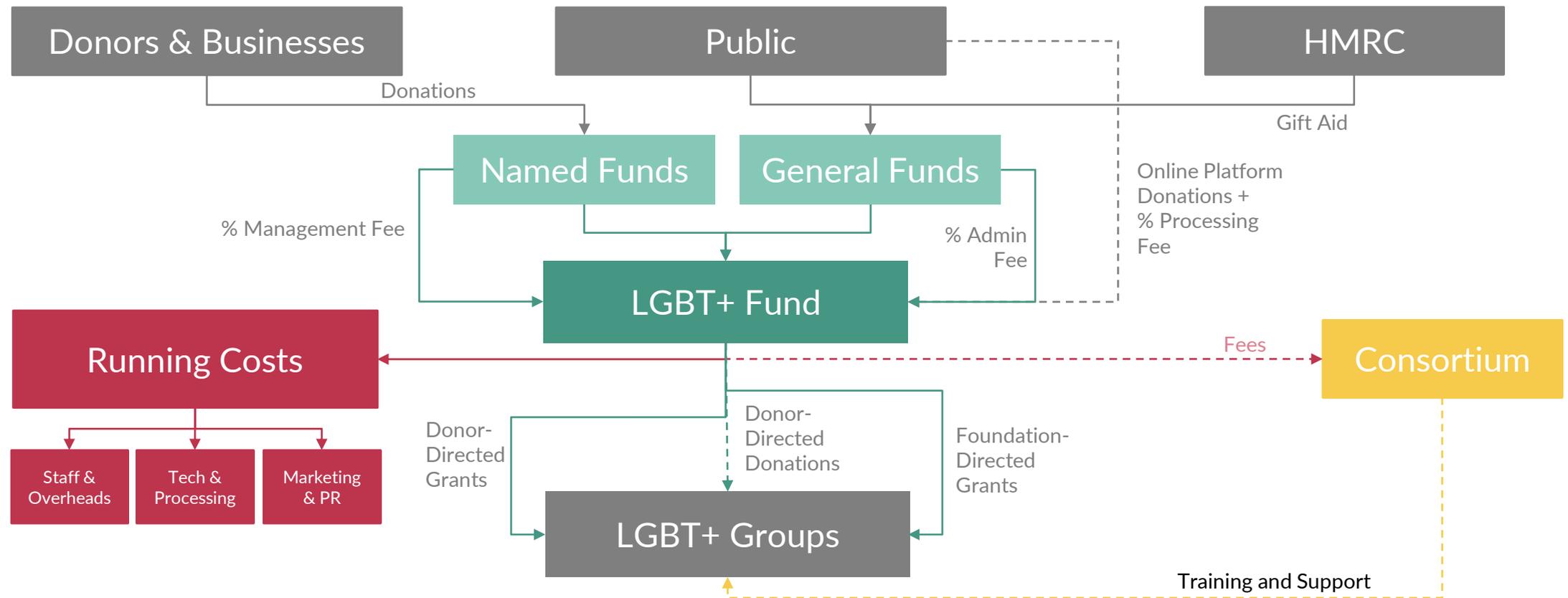
## Intended Outcomes

Donors are more able to support LGBT+ issues & groups

LGBT+ groups access funding & support

LGBT+ endowment is built-up

# 3. LGBT+ Fund – Business Model



# 3. LGBT+ Fund – Evaluation

Opportunities / Benefits	Challenges / Risks
<ul style="list-style-type: none"> <li>• Allows for a phased-approach to developing the online giving component, without the need for start-up investment</li> <li>• Provides ways for low and high level donors to engage</li> <li>• Offers lots of opportunities for both donor- and community-led giving, and engagements</li> <li>• Foregrounds a grants programme, while enabling development of digital aspects and other innovation</li> </ul>	<ul style="list-style-type: none"> <li>• Needs to build up a target number of donors to meet costs</li> <li>• Needs to begin with investment in donor engagement and marketing</li> <li>• Fundraising for general funds from low level donors is in direct competition with other LGBT+ organisations</li> <li>• Might not add anything beyond the community foundation elements for many years, depending on capacity</li> <li>• Fund management decisions may be more challenging and more complex than community foundation model</li> </ul>
<p><b>Conclusion:</b> take forward, ensuring the focus is on establishing initial stability before bringing in more risky elements</p>	

# Potential Models - Comparison

	Primary Product	Primary Audience(s)	Fund Controls Allocation	Donor Controls Allocation
LGBT+ Giving	Online platform	The public, with some high-level donors	No	Yes
LGBT+ Community	Named funds	High level donors	No	Yes
LGBT+ Fund	Pooled fund	Donors of any kind, including the public	Yes	Yes

# Recommended Model vs Needs

Based on the consultations, and evaluation of the potential models, I.G. recommends the ‘**LGBT+ Fund**’ model be taken forward, for the following reasons. This model could meet the **needs** identified in the research, as follows:

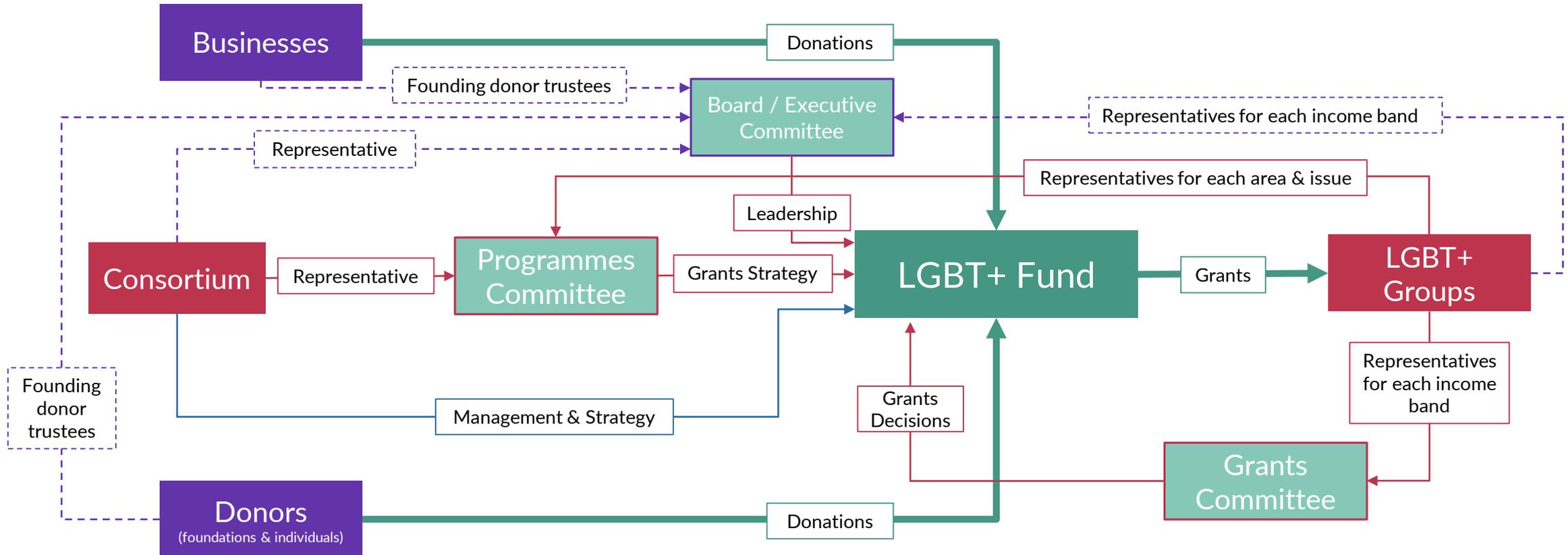
A	Availability	<ul style="list-style-type: none"> <li>It will pool and make available LGBT+ specific funding for the sector, and influence greater numbers of LGBT+ donors and funders working in intersecting fields, to give.</li> </ul>
B	Allocation	<ul style="list-style-type: none"> <li>It will allocate funding for LGBT+ issues based on a consultative and representative governance model, responsive to the sector’s needs.</li> </ul>
C	Proportionality	<ul style="list-style-type: none"> <li>With a focus on bringing <i>new</i> money into the LGBT+ sector in the UK, it will work to drive the amount of funding higher, and increase the ‘per capita’ funding available for LGBT+ issues.</li> </ul>
D	Access	<ul style="list-style-type: none"> <li>The Fund will design its model and processes with small organisations in mind, and ensure capacity building and application support is a key part of its approach.</li> </ul>
E	Stability	<ul style="list-style-type: none"> <li>It will work to develop a consistent pooled fund, and potentially endowment, to ensure the LGBT+ sector always has an income source to leverage when challenges hit.</li> </ul>

# Recommended Model - Opportunities

Based on the consultations, and evaluation of the potential models, I.G. recommends the ‘**LGBT+ Fund**’ model be taken forward, for the following reasons. This could meet the **opportunities** identified in the research, as follows:

A	Next Gen Donors	<ul style="list-style-type: none"> <li>The pooled giving approach, as well as the systemic impact, is a popular focus for younger donors, and the potential to use technology to engage them is a big opportunity</li> </ul>
B	Grassroots Knowledge	<ul style="list-style-type: none"> <li>Ensuring representatives of LGBT+ groups and communities are involved in the governance and decision making will keep knowledge from the grassroots integrated into the Fund’s work</li> </ul>
C	Grassroots Access	<ul style="list-style-type: none"> <li>The Fund will be able to provide donors with the opportunity to fund small LGBT+ groups, and strengthen the sector by bolstering the grassroots that larger donors often cannot access</li> </ul>
D	Leverage	<ul style="list-style-type: none"> <li>Through matched funding and capacity building support, the Fund would provide donors with the opportunity to leverage greater impact than would be possible independently</li> </ul>
E	Collaboration	<ul style="list-style-type: none"> <li>The Fund, through joint campaigns and facilitation work could ensure LGBT+ groups are incentivised to collaborate where it adds value, rather than competing in a scarcity environment</li> </ul>

# Recommended Model - Governance



# Governance - Model Explained

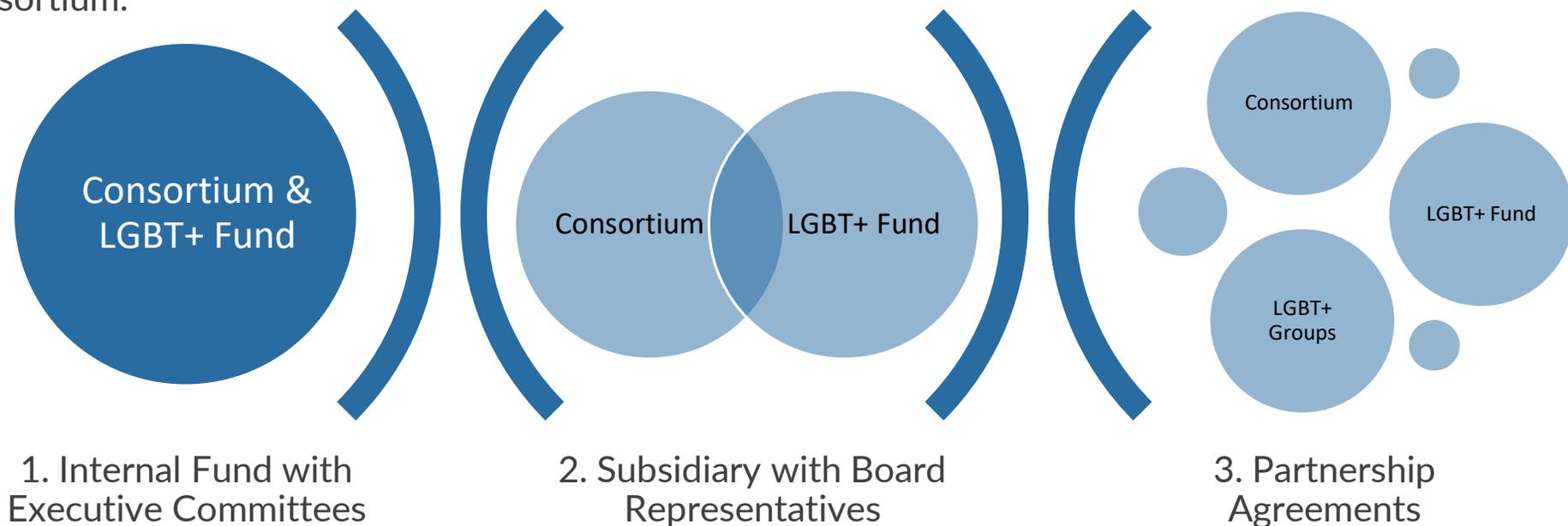
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There are three key elements to this recommended governance structure, which are intended to ensure the key stakeholder groups - primarily donors and businesses contributing to the fund, LGBT+ groups and organisations informing its decision making, and representatives of Consortium as a hosting organisation - have an appropriate level of involvement and influence. These are:

- **Board / Executive Committee:** functioning as a typical board would, providing strategic leadership and oversight, with representatives from the founding and key donors, Consortium, and LGBT+ groups of each financial size (e.g. micro to large).
- **Programmes Committee:** establishing the programmatic focus for the Fund, based on intelligence and input from Consortium (via its members and other work), and representatives of LGBT+ groups of each size, geographic and issue area.
- **Grants Committee:** making decisions on grant allocation within specific themed programmes, based on insights and experiences from the frontlines of the LGBT+ sector, and decided by representatives for each income band (potentially drawn from the applicant pool).

# Governance - Potential Phasing

I.G. recommends the LGBT+ Fund begin as a fund within Consortium, managed by the team, with restricted founding donations, and Executive Committees. Once it is established, the Fund could potentially spin out into a partial-sub subsidiary entity or DAF, with board seats allocated to other stakeholders as well as Consortium. In the future, depending on the success of the Fund, it could also become an independent entity, in partnership with Consortium:



# Governance - Registration Options

If Consortium were to decide to spin-out the LGBT+ Fund into a separate entity, there are a few viable options:

## CIO

### Pros:

Simpler registration process with companies house  
Simpler legal recourse to hold assets and trade

### Cons:

Governance and reporting workload  
Less legal control for founders

## Charity

### Pros:

Suitable for orgs of all sizes  
Shows credibility and accountability to the wider sector

### Cons:

Governance and reporting workload  
Less legal control for founders

## DAF

### Pros:

Quick to set-up, and less work to report and do due diligence  
Investment management as part of fee arrangement

### Cons:

Tighter restrictions on funding unregistered groups or individuals  
Less legal control over funds

# Governance - Participatory Model

---

I.G. strongly recommends the LGBT+ Fund be built as a participatory organisation, for the following reasons that align with the criteria for success:

- An LGBT+ Fund relies on **buy-in** from the LGBT+ community, and involving them in the decision making will create a sense of ownership and agency.
- An LGBT+ Fund can only achieve **credibility** by living the ethos that people most affected by decisions have a right to make those decisions, and being truly representative of community needs.
- In the consultations, Consortium heard an echo of the growing demand in the social sector for more **accountability**, transparency, and collaboration – a participatory process would meet these needs.
- Involving LGBT+ groups in the decision making of the LGBT+ Fund will improve the **brand** awareness and reach of the Fund, and provide additional **marketing** opportunities for the project.
- Having frontline LGBT+ voices involved in decision-making will ensure more informed and effective philanthropic investments are made, resulting in **high standards** being reinforced across the sector.
- Creating a new and innovative model in the UK philanthropy sector is more likely to attract strong support from founding donors, and ensure ongoing **sustainability** by attracting ongoing gifts.
- Participation in decisions about issues affecting them strengthens communities by building **trust**, connectedness, engagement, and leadership, which in turn strengthens the movement.

# Governance - Participatory Examples

Several Funds operate a successful participatory grantmaking models, and have successfully built up a donor base who buy-in to this way of supporting minority groups facing discrimination and struggling to access resources under the current systems of power:

## DISABILITY RIGHTS FUND

- Crowdfunds and pools donations from large foundations
- Supports people with disabilities with grants
- All decisions made by people with disabilities



## FRIDA

FRIDA | The Young Feminist Fund

- Pools donations from large foundations
- Supports young feminist groups & activists
- Grant allocation decided by young feminist activists

## WITH AND FOR GIRLS

- Pools donations from large foundations, and created as a 'collective'
- Supports girl-led projects meeting girls' needs
- All decisions made by panels of girls



## EDGE FUND

- Crowdfunds donations from the public
- Supports activist groups working to end inequality
- Provides unrestricted funding as grants



## Red Umbrella Fund

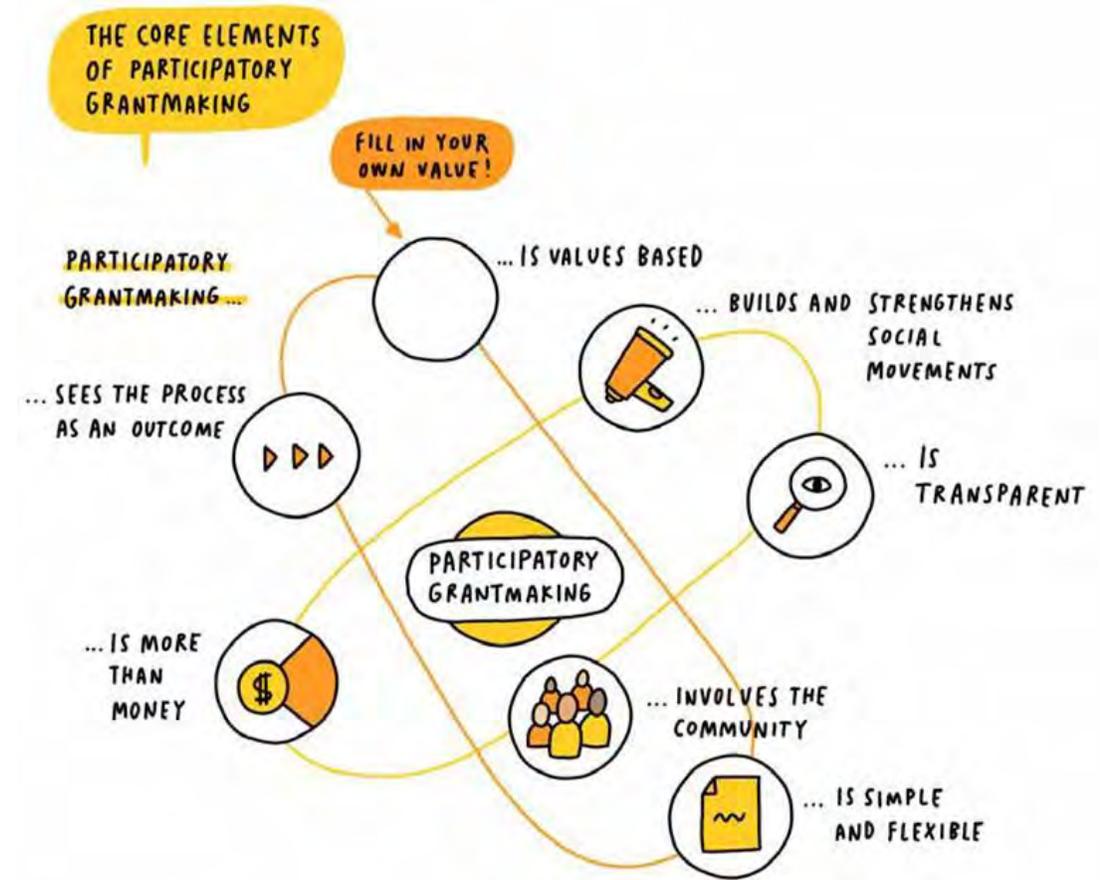
- Pools donations from large foundations
- Supports sex workers' needs and campaigns
- Committee awarding grants is led by sex workers

# Participatory Grantmaking - Research

GrantCraft developed research into the processes of some of these leading organisations, with guidelines on structure and approaches to participatory grantmaking, including this graphic which summarises the core elements.

Although they involve some challenges (e.g. resource intensiveness, safety risks, lack of representativeness, etc.), if they are managed properly, such processes can achieve the following outcomes:

- Democratised philanthropy
- Better decisions and outcomes
- Promotion of social justice and equity
- Promotion of community engagement



# Non-Participatory Approach - Risks

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By disrupting and democratising philanthropy, participatory grantmaking addresses many of the risks arising when the main beneficiaries are not included in the decision and grantmaking processes. These risks are:

- **Greater power imbalances:** the usual power dynamics in funding is hard to break if the line between funder and grantee is too defined and those sitting at the decisions table are not fully aware of the real needs and struggles of those in need.
- **Inefficient participation:** without the knowledge and expertise of individuals with lived experience, it is harder to identify the problems and improve sustainability through effective solutions.
- **Lack of legitimacy:** without having direct experience, it is harder to feel legitimised to make decisions about specific communities.
- **Lagging behind:** by not adopting innovative forms of charitable giving approaches such as participatory grantmaking, grantmakers will struggle to keep up with the changing landscape of philanthropy.
- **Lack of diversity:** most foundation staff and boards are not representative of the wider world and the communities they are trying to serve. By not involving the 'unusual suspects', they would be contributing to keeping the status quo unchanged.

# Potential Programme(s)

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Meeting the diverse needs of the LGBT+ sector in the UK will require several levels of impact. Further details of these potential programmes are given on the following slides, but the high-level options are:

## Small Grants

Similar to the LGBT+ Futures Fund model, with a simple application process, providing unrestricted and core funding for LGBT+ organisations.

## Capacity Building

Either grants to purchase professional services, or the provision of services by Consortium, to focus on capacity building for LGBT+ groups.

## Thematic Campaigns

A time-bound fundraising and change-making campaign, based on participatory principles, and incentivising collaboration between LGBT+ groups.

# Potential Programmes - Small Grants

---

Research shows that there simply isn't enough money coming into the UK LGBT+ sector, and stakeholders have made it clear any LGBT+ Fund should work to bring *additional* money in, rather than compete for or cannibalise existing resources. Small Grants will improve the **availability** and **access** elements for LGBT+ funding, as well as ensure donors are able to **allocate** funding more strategically, and give in a **leveraged** way to **grassroots** and smaller organisations. This could take a number of forms, including:

- **General Funds:** Similar to the LGBT+ Futures Fund model, with a simple application process, providing unrestricted funding for LGBT+ organisations.
- **Named Funds:** Established by significant donors to the LGBT+ Fund, such as businesses or foundations, to issue donor-directed (if their need is ease of giving) or committee-directed (if their need is ease of finding or managing) small grants.
- **Matched Funds:** Ring-fenced funds to incentivise greater giving to the LGBT+ sector, either as matched grants made to LGBT+ groups who are able to mobilise additional gifts themselves, or grants offered as matches for other significant donors (e.g. £5k+) provided they are within the LGBT+ space.
- **Geographic Funds:** Similar to general funds, but within a specific locale. Could allow for local fund boards.

# Potential Programmes - Capacity Building

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Consortium has identified capacity building, especially around fundraising skills and strategy development, to be a key requirement of LGBT+ groups in the UK. With this knowledge, and the validation of the background research, it is recommended that one of the primary programmes of the Fund be a capacity building grants programme. This could address the **stability** challenges of the sector, ensure LGBT+ groups' can advocate for appropriate **allocation** of funding, and provide additional **leverage** for donors whose contributions could lead to greater successes for chosen grantees. This could take a number of forms:

- **Grants Plus** - similar to the Lloyds Bank Foundation 'Enhance' programme, providing existing grantees with additional support based on needs identified through the grant relationship.
- **Professional Services Grants** - similar to the Arts Council 'Catalyst' grants, these new grants would be intended to cover the costs of external expertise to provide services, support and training in areas identified by the organisations themselves.
- **Consortium Services Provision** - similar to City Bridge Trust's STRIVE programme, directly scoping and providing 'independent, confidential business advice and guidance' for grantees, supplied by the Cranfield Trust, Consortium could provide services to grantees.

# Potential Programmes - Campaign

A bi-annual Thematic Campaign is where participatory practices could have most impact, and create wide-reaching change across the sector. This campaign could improve the **availability** and **accessibility** of funding, ensure it was **proportionately** and thoughtfully **allocated** based on need, and drive momentum to **stabilise** the sector overall. It could also allow donors to provide and access **leverage**, similar to The Big Give's Christmas Challenge, promote **collaboration** in the sector, and ensure smaller **grassroots** voices are included.



# Potential Programmes - Future Ideas

Whilst the LGBT+ Fund is intended to meet the funding and sustainability issues in the LGBT+ sector, there are adjacent or intersecting challenges it could also achieve impact within. In addition to the primary programmes focussed on funding for impact, it could develop a number of other change-driving initiatives and products as it develops, leveraging its data, networks and processes. These could include:

## Digital Platform

Building on the LGBT+ Giving idea, once LGBT+ Fund has a robust portfolio of applicants and grantees, a digital platform would allow grantees to profile their work and allow donors to give directly (for a small fee).

## Reports & Research

Leveraging data provided by grantees and projects, and investing in new types of research and evidence building, LGBT+ Fund could produce reports on the state of the sector for donors and groups.

## Training & Consultancy

Identifying the challenges and needs of donors in the LGBT+ space, the Fund could provide training and consultancy for businesses and foundations wanting to enter and understand this space.

## Partnership Brokering

Where collaboration and partnership could achieve greater impact, LGBT+ Fund could act as a broker in identifying and facilitating partnerships for businesses, donors and LGBT+ groups.

## Events

To engage the LGBT+ and philanthropic communities, LGBT+ Fund could host events to promote giving and understanding in the space. The Crowdfunding event Consortium hosted recently is a great example.

# Potential Programmes - Processes

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The specific processes for grant application and allocation should be developed with LGBT+ groups directly, but drawing on the experiences of the LGBT+ Futures Fund and the IVAR & London Funders report on funder responses to emergencies, some key themes to ensure accessibility and efficiency emerge:

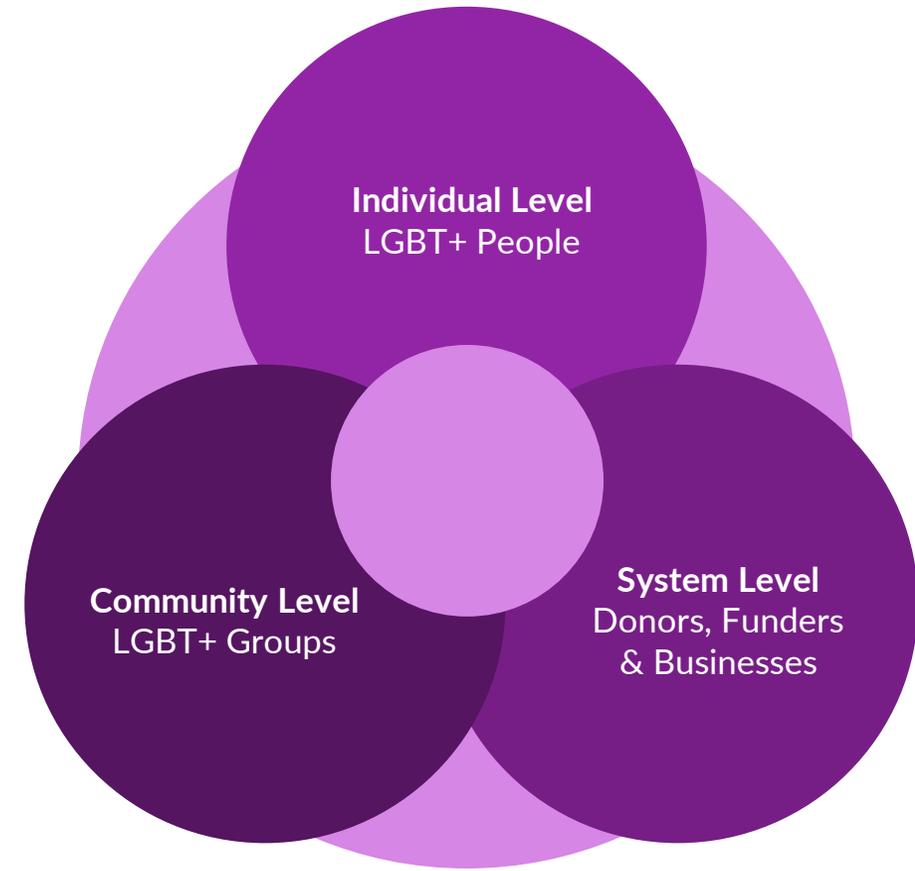
- **Commitment to speed:** understanding that long waiting times for decisions, and slow processes in general, can hold grantees back from success, and in some cases be the difference between healthy and unsustainable cash flow forecasts. Whether a tangible emergency, or simply a quietly growing financial tension, efficiency in decision making and clarity on timelines are essential.
- **Light-touch applications and monitoring:** ensuring an easy-to-use online portal is the norm, and monitoring is flexible to the data and language of each group, not an unwieldy centralised framework.
- **Managing risk through relationships:** doing due diligence and assessment through conversations, rather than forms, and leveraging the network to seek recommendations and access to grassroots.
- **Collaborative delivery and delegated decision-making:** establishing a collaborative on the donor and grantee sides, and bringing the public into the 'family' to grow an authentic and credible central pot that is allocated through meaningful engagement with those working at the grassroots.
- **Flexible funding:** supporting grantees to develop their own responses to need, rather than being prescriptive.

# Impact - Proposed Approach

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The success of the programme will be measured in the short-, medium- and long-term across several audiences and levels: the impact on LGBT+ people, or the individual level; the impact on LGBT+ groups, or the community level; and the broader, more systemic impact at the donor level.

The following slide further details the proposed theory of change, and the suggested **impact dashboard** of measures can be found in the **appendix**.

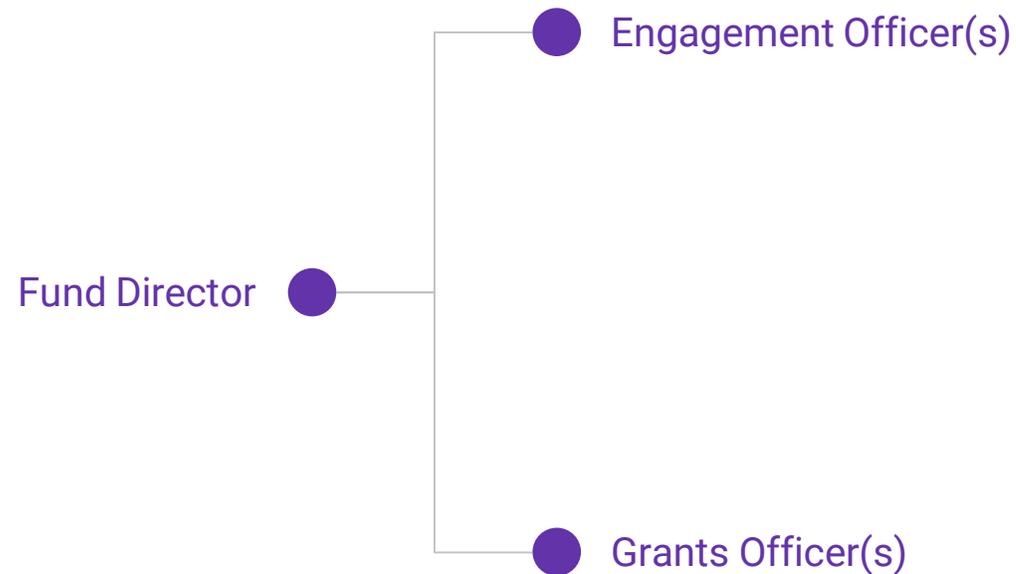


# Impact - Theory of Change

Aim	UK LGBT+ organisations are able to sustainably meet the needs of LGBT+ communities						
Strategic Outcomes	Donors, funders and businesses include LGBT+ issues in their priorities and strategies		A sustainable base of funding for LGBT+ organisations is established, and maintained		The overall capacity and stability of LGBT+ sector is improved		
Outcomes	Increase awareness and understanding of LGBT+ issues amongst donors, funders and businesses	Increase understanding of the needs of the LGBT+ community that intersect with other funding areas	Increase ability of donors, funders and businesses to identify, find and support LGBT+ organisations	Reduce barriers for LGBT+ organisations fundraising from donors, funders and businesses	Reduce wasted resource on duplication and unstrategic giving	Increase capacity of LGBT+ organisations to assess the needs of communities, collaborate and evaluate impact.	Increase available funding for LGBT+ groups and work with LGBT+ people in the UK in a sustainable way
Objectives	Produce national, centralised communications about LGBT+ issues and organisations	Convene donors, funders and businesses (including those in intersecting areas) around LGBT+ issues	Establish a pooled LGBT+ fund to find, make core and long-term grants to the most effective LGBT+ organisations	Develop a funding solution that is accessible and efficient for LGBT+ organisations	Develop a grants programme that identifies and supports the most impactful LGBT+ organisations to become sustainable	Provide core or specialist grants, and facilitate partnerships, to build and free-up capacity for service user centric programmes	Build an LGBT+ specific endowment for sustainable grantmaking to LGBT+ groups

# Staffing & Resourcing - Team

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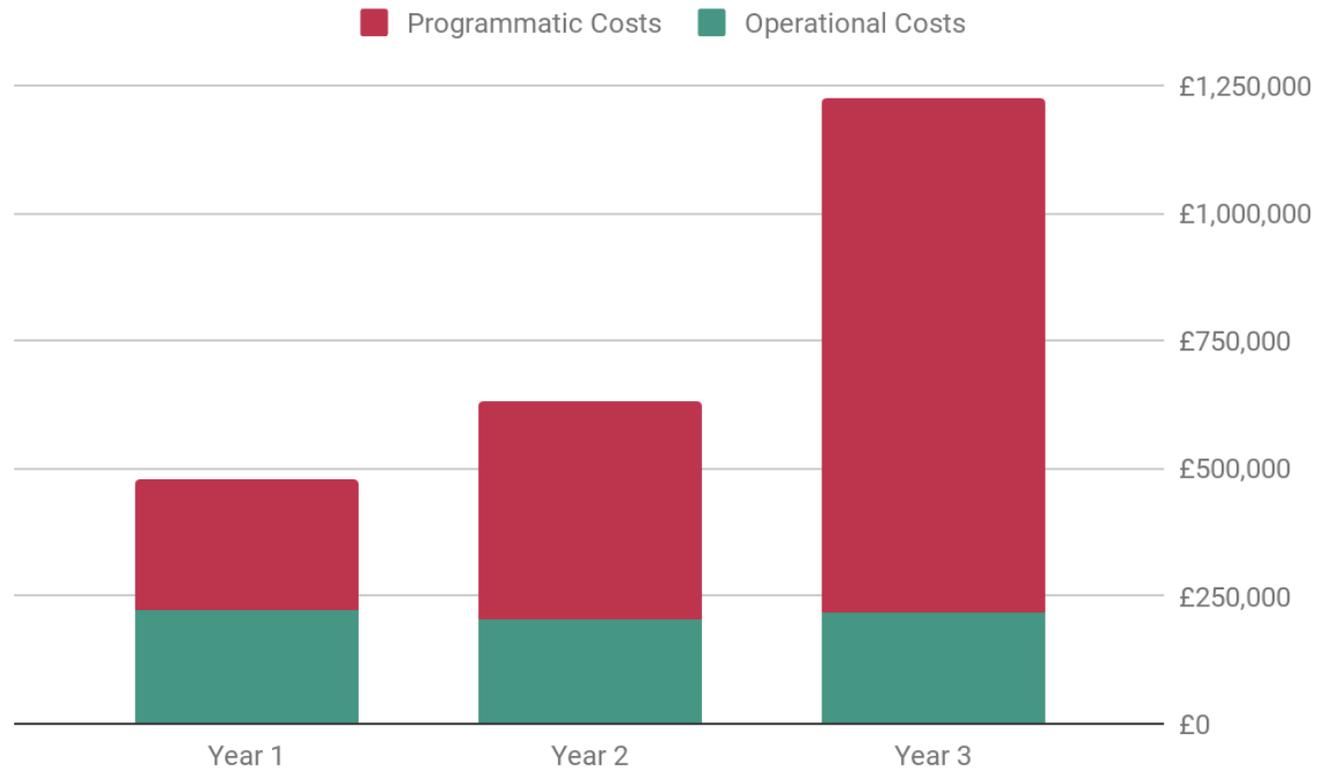
It is recommended that the LGBT+ Fund be established with a Fund Director, sitting under the CEO of Consortium initially, responsible for both the strategic leadership and management of the fund, as well as fundraising and governance oversight.

Additionally, Engagement Officers and Grants Officers, beginning with one of each and potentially expanding as things progress, would be tasked with developing and managing relationships and processes on the fundraising and grant-making sides of the Fund, respectively, which will include supporting the governance processes.

# Staffing & Resourcing - Budget

A minimum and ideal financial plan has been provided separately, and a summarised version can be found in the Appendix. This has been produced based on the assumptions noted in the accompanying document, and I.G.'s experience with similar programmes, but should be updated and amended as required by Fund team. The Year 3 costs are the disbursements from a two-year thematic campaign.

The total three-year budget requirement is estimated at **£2,337,793**.



# Staffing & Resourcing - Income

As shown, establishing and maintaining an LGBT+ Fund will require significant initial investment, as well as ongoing support from donors and partners. A full fundraising strategy is recommended, and investment in staff resource to focus on donor and partner relationships, but initial suggestions for approaches to income generation for the Fund include:

## Founding Donors

Inviting donors with a vested interest in the LGBT+ community, such as ones with LGBT+ programmes or a focus on sector-building, to contribute to the start-up of the Fund, to establish an LGBT+ funders group.

## Anchor Donors

Once the Thematic Campaign programme is launched, offering donors - including foundations, businesses and individuals - the opportunity to be an 'anchor donor' for the campaign period, providing matched funds.

## Named Funds & Fees

Charging fees to donors for establishment of named funds, management of funds, and a percentage of all donations from the public during campaigns.

## Sponsorship

Inviting partners to sponsor elements of the programme, including the campaign, or events.

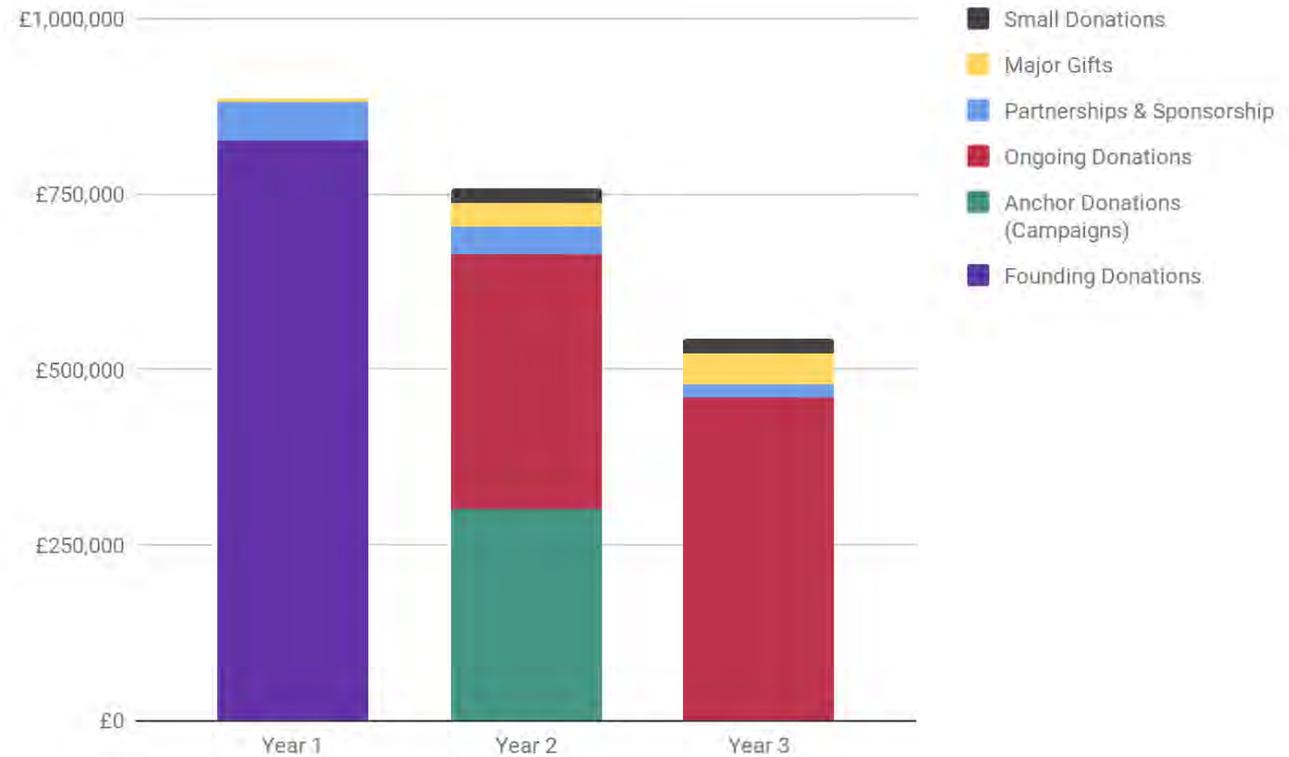
## Endowment

Working, over time (or with the support of generous founding donors), to establish an endowment for the Fund, to ensure it is sustainable and can be a consistent source of support for the LGBT+ community.

# Staffing & Resourcing - Targets

A minimum and ideal detailed income forecast plan has been provided separately, and a summarised version can be found in the Appendix, which addresses programmatic versus operational donations, and demonstrates how initial founding donations can be used to develop the Fund's programmes across the first three years.

Based on a 10% fee on named funds or thematic campaigns, the break-even point for the LGBT+ Fund to cover its operational costs is £2,161,932 programmatic income per year.



# Risk Register (1)

A full risk register with mitigations is included separately, but the main risks have been identified as:

Type	Risk	Likelihood	Impact
Operational	Recruitment of key staff is delayed, or challenging	High	High
	The Fund loses key staff member(s) at a critical juncture	Low	High
	Decisions take longer than expected due to consultative nature of governance process	Medium	Medium
	The Fund fails to deliver its objectives within the time and budget expected by donors	Medium	Medium
	A grantee or partner withdraws from engaging with the Fund during a campaign or programme	Low	Medium
	Relationships deteriorate with founding or anchor donors	Low	High
	A data breach occurs for the Fund, impacting donors or partners	Low	Medium
Reputational	LGBT+ groups or organisations perceive the Fund as cannibalising their funding	Medium	Medium
	Brand awareness amongst target audience remains low	High	High
	LGBT+ groups or organisations perceive the Fund to be too focussed on the wrong issues	Medium	Medium
	Consortium's appropriateness to 'own' the Fund is called into question	Medium	High
	Association with the brands of key donors or other LGBT+ groups is off putting for some stakeholders	Low	High
	Consortium, or one of the partners, has a reputational issue	Low	High

# Risk Register (2)

Type	Risk	Likelihood	Impact
Financial	Consortium is unable to generate funding to meet the Fund's start-up costs	High	Medium
	Consortium is unable to generate cash flow to meet the Fund's ongoing costs	High	Medium
	Costs exceed estimated budget for the Fund	Low	High
	The Fund is not able to reach a 'break even' point	Medium	High
Strategic	The Fund is unable to engage enough LGBT+ groups to fully inform its grantmaking or campaigns	Medium	Medium
	The Fund is unable to engage LGBT+ groups in diverse issue areas and geographic regions	Low	Medium
	LGBT+ groups do not fully engage with the participatory model, or fail to do their part	Medium	High
	Consensus on campaign focus, or grantmaking, cannot be reached	Medium	Medium
	Consultations or surveys are sabotaged by campaigning groups or trolls	Low	Medium
	The Fund does not identify any new needs or focus areas for funding in the LGBT+ sector	Medium	Low
	The Fund faces critique from the public, or media	Low	High
	The Fund does not achieve its desired impact	Low	Medium
	A competitor to the Fund emerges in the UK	Low	Medium

Introduction

The LGBT+ Fund

# Moving Forward

Appendix

**I.G.**

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# I.G.'s Recommendations

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The idea and plan for the LGBT+ Fund has been long-awaited, and heavily discussed and researched by I.G., Consortium, and key stakeholders across the LGBT+ sector, philanthropy and business worlds. It is undeniable that need for such a fund exists, impact will be achieved by making it a reality, and the donors with the power to make it happen have an appetite for change. I.G. believes this Fund could be transformative for the UK LGBT+ sector, and the people who depend on it, and recommends the following final considerations:

- **Participatory Model:** success in developing this kind of model requires forward-thinking funders who are able to be generous with their power and money. It also requires meaningful engagement from participants, and a well-facilitated, inclusive decision-making process. There are many examples of success to learn from in this space, and I.G. urges that the wheel should not be reinvented here.
- **Founding Donors:** should be brought together by more than just this plan, but rather to create a unique group of LGBT+ focussed and friendly donors in the UK, with this Fund as their pilot project. Similar to the With and For Girls Collective - the pooled funding should be driven by donors, and the giving of funding owned and driven by LGBT+ people.
- **Partnership Working:** building on Consortium's strong history of this, the Fund must be developed in partnership with others (from a knowledge-sharing, pro-bono and capacity perspective).
- **Governance Makeup:** criteria for governance members should sit at the nexus of accurate representation of LGBT+ needs, and experience and capability to be leading and shaping this idea.

# Partners to Consult With (1)

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I.G. recommends reaching out to the following organisations or exploring their innovative ways of making an impact, as it may provide useful material and further inspiration for the creation of the Fund:

- **Funders for LGBTQ Issues:** Their current 'Out in the South' Fund is a great source of information, inspiration and learnings. They promote a collaborative fund that awards matching and planning grants to catalyse locally-driven funds for LGBT+ communities in the South of the US.
- **Donors of Colour:** They run a multi-faceted, multi-year initiative to engage and support high net worth (HNW) donors of color.
- **Kialo:** They created an online tool to engage in thoughtful discussion, understand different points of view, and help with collaborative decision-making, with the potential to be used to engage LGBT+ groups.
- **Scope:** They utilised social media to get people talking about disability. They ran a campaign called #EndTheAwkward to engage with and expand their community, and used partnerships and innovative thinking to expand the reach of their campaign and raise awareness about their work.

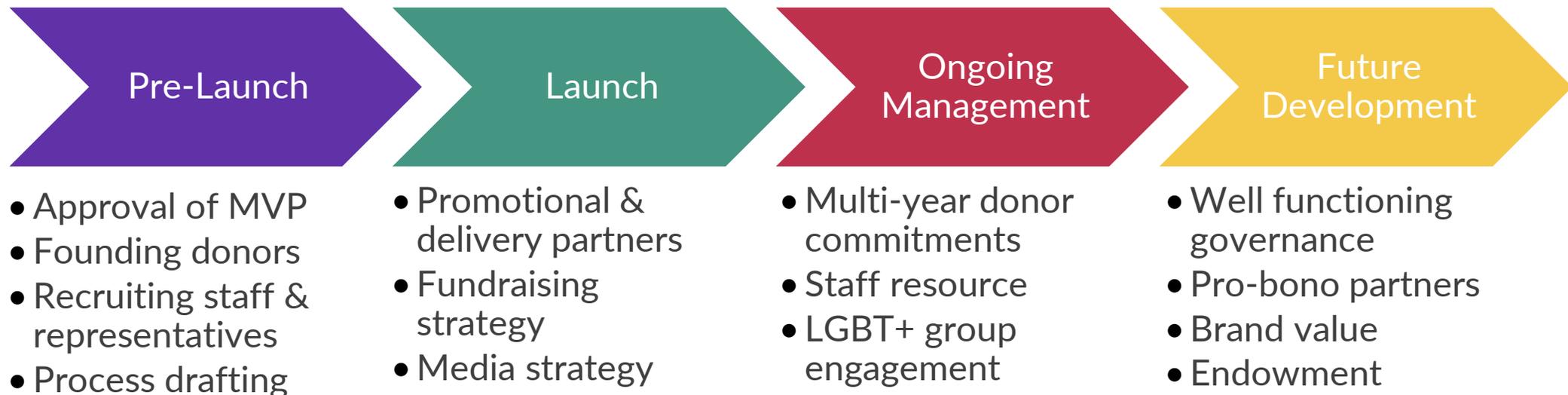
# Partners to Consult With (2)

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- **With and For Girls:** This is a great example of a successful participatory grantmaking organisation. Girls from their network have final decision-making power on which organisations receive funding.
- **Trustlaw:** They are the Thomson Reuters Foundation's global pro bono legal programme, connecting NGOs with law firms and corporate legal teams to provide free legal assistance. They also produce legal research and offer training courses.
- **Street League:** They have a live impact dashboard, which uses their full dataset over the past twelve months (plus some historic data). The dashboard follows an overview of their theory of change and summarises their impact as their mission is to help young people from disadvantaged communities move into sustainable jobs, education and training.
- **SharedImpact:** They are an online DAF provider. This is potentially a cost-effective alternative for holding the LGBT+ Fund.

# Phases of Implementation

Developing and implementing a project like the LGBT+ Fund requires a phased approach to de-risk the initial investment, ensure the team does not feel pressured to ‘run before they can walk’, and clearly design a minimum viable product (MVP) that reduces hesitancy to launch. The exact timeline and phasing will depend on the funding secured, and Consortium’s capacity to establish the staff team, but key phases could require:



References

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Moving forward

# Appendix

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