



**PRESS RELEASE – Embargo 0001gmt 5 June 2009**  
**Think tank urges more charity mergers**

*London, UK* – Charities should consider mergers if they are to survive tough economic times and be more effective, says London-based charity think tank and consultancy, New Philanthropy Capital (NPC).

The report, *'What place for mergers between charities?'*, says mergers are an important tool in making charities more effective, and gives examples of charities and fields where there is a compelling case to consider merging. These include literacy programmes in schools, breast cancer research, mental health helplines, debt advice and grant-making trusts.

NPC argues that by bringing together charitable organisations that have similar missions, mergers can improve existing services and save money.

'There are too few mergers in the charity sector, in part because it's a taboo subject,' says report author, John Capps. 'The most important question is not what works best for the charity, it's what works best for all the people that charities intend to help.'

NPC says that considering mergers should be a new duty for trustees—who are ultimately responsible for how charities are run—to see whether this is a way to fulfil the charitable purpose, even if this means winding down their own charity.

A recent survey for the Charity Commission showed that 64% of UK charities with an annual income of over £1m are concerned about the downturn, but just 3% said they had considered merging.

Research in the US shows that the rate of mergers across large non-profit organisations, with an annual budget of \$50m and over, is just one tenth of the rate of large for-profit companies.

NPC cites several successful high-profile charity mergers, although it acknowledges that these were not without difficulties and mergers can be risky.

ChildLine merged with NSPCC in March 2006, resulting in an increased rate of answered calls from children and overall cost reductions in fundraising, finance and IT.

The Imperial Cancer Research Fund merged with the Cancer Research Campaign in 2001 to create Cancer Research UK, now one of the UK's largest charities, with a combined income then of £240m.

Mind is a national organisation that provides services for individuals with acute mental health problems and had a pre-merger income of £10m. In 2008, it successfully merged with Mental Health Media, a smaller charity that promotes the positive perception of people with mental health problems.

'Mergers are frowned on in the charity sector and are often seen as predatory or aggressive, ignoring the fact that a merger can help an organisation not only to survive, but to thrive,' says Martin Brookes, NPC's Chief Executive.

The report also looks at duplication of effort in breast cancer charities, amongst others, where several national charities spend money and compete to raise funds for research, education and support.

In breast cancer research, for example, Breakthrough Breast Cancer spends more than £6m on its cost of generating funds, and Breast Cancer Campaign spends around £4m. They are distinct in that Breakthrough Breast Cancer funds its own world-class research and Breast Cancer Campaign funds scientists in other institutions. However, this difference is all but invisible to potential donors.

According to NPC, this situation has parallels with the agreement that created Cancer Research UK. This merger was principally driven by a desire to see progress in the fight against cancer, and to achieve benefits in knowledge-sharing and cost savings that a merger would bring.

NPC has reviewed charity sectors that may benefit from mergers, but says that the sector as a whole needs to evaluate them as part of their response to current social and economic change.

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For further information about NPC, its research reports and charity recommendations, or to arrange an interview, please contact:

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1. To inform our arguments, we spoke to a range of experts and explored the literature on mergers in for-profit and not-for-profit contexts. A list of acknowledgements and references is at the end of the report.
2. Example of successful mergers:

**The NSPCC**—The NSPCC is the UK's leading children's charity specialising in child protection and the prevention of cruelty to children. The NSPCC's purpose is to end cruelty to children FULL STOP. Its vision is of a society where all children are loved, valued and able to fulfil their potential. The NSPCC runs 180 projects and services across the United Kingdom and Channel Islands, including ChildLine, the UK's free, confidential 24-hour helpline for children and young people. General: 020 7825 2514 / 1373 Email: [mediaoffice@nspcc.org.uk](mailto:mediaoffice@nspcc.org.uk) Out-of-hours mobile contact number: 07976 206 625

**Cancer Research UK** - Cancer Research UK's vision is to conquer cancer through world-class research. The charity works alone and in partnership with others to carry out research into the biology and causes of cancer, to develop effective treatments, improve the quality of life for cancer patients, reduce the number of people getting cancer and to provide authoritative information on cancer. Cancer Research UK is the world's leading independent charity dedicated to research on the causes, treatment and prevention of cancer. For further information visit [www.cancerresearchuk.org](http://www.cancerresearchuk.org) and for media enquiries please contact: 0207 061 8315

3. **New Philanthropy Capital (NPC)** is a consultancy and charity think tank that enables donors and charities to do good, better. Set up seven years ago, NPC's team of consultants and analysts have built a wealth of experience in analysing charities, understanding social issues, and providing expert advice to a variety of donors, their advisors and, more recently, charities. NPC's approach has been adopted in countries including Canada, Estonia, Germany and Israel. With partners, such as the Bertelsmann Foundation in Germany and the Hewlett Foundation in the USA, NPC is helping to build an infrastructure to enable donors and charities to make good decisions and create the greatest impact through their work. For further information, see [www.philanthrocapital.org](http://www.philanthrocapital.org).