



# Following THE money

The Smallwood Trust has been investigating the origin of its endowment funds as part of its anti-racism strategy, as **PAUL CARBURY** explains

What role does our own financial past play in creating the present-day socio-economic situations we seek to address? That was the central question at the heart of our research into the source of the Smallwood Trust's historic funds.

The Smallwood Trust's mission is to enable women to be financially resilient, and we are deeply committed to justice and equity. We help women to overcome financial difficulties and improve their social and emotional wellbeing. All our funding is directed at meeting this mission. The Smallwood Trust aims to achieve its outcomes through grantmaking, working in partnership with and learning from our grant partners, and influencing their work and the wider social landscape as it relates to our mission.

## Informed by EDI policy

In 2020 we made a commitment to put anti-racism at the heart of our work. It's important to do so; it was the events of 2020 following the murder of George Floyd by racist police officers in the US that sharpened our thinking on the impact of structural racism on our mission.

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We're now in the process of deepening our understanding of the root causes of poverty that are both gendered and intersectional. Inherent in this is an understanding of the mechanisms and levels of structural racism and imbalances of power that are rooted in violent and harmful colonial history, and how they impact our work in redistributing wealth,

and with it the means of self-determination to communities of women in need.

As a grant-giving foundation, money is central to what we do. Exploring our own financial past became increasingly important. As a result, discovering the origins of our investments was one of the four key areas of focus on the equity, diversity and inclusion (EDI) strategy the board approved in 2021-22.

We were inspired by the growing number of foundations that are looking into where their money comes from. Many have shared that their funds come from unjust practices such as the transatlantic slave trade. Alongside our ongoing work on anti-racism and DEI, we knew we had to find out where the Smallwood Trust's funds come from. So we began to research our history.

## Mining the archives

The Trust engaged Anj Handa, founder of Inspiring Women Changemakers, and an independent private ancestry research agency to do the initial investigative work. Lead researcher Paul Hurley led the process and delved into Smallwood's handwritten historical records held at our headquarters in Malvern.

Mining information from hundreds of historical documents including financial ledgers, applications from beneficiaries, letters, publicity material, photographs, objects and more from as early as the 1890s, and conducting deep-dives into the organisations into which the funds were invested, Hurley constructed a clear narrative

of financial origins. He used a financial forecast and modelling system to convert initial investments into modern-day money.

Hurley and his team, together with Handa, collated their initial findings. Then the Trust engaged Ettie Bailey-King, founder of Fighting Talk Communications, to write our report. Much of this article is based upon Ettie's work with additional material created by communications consultant Fiona McAuslan.

## Small beginnings, reduced circumstances

We already knew something about our founder. Most of our money dates to the 1880s, when Edith Smallwood started to collect donations. Edith was born in 1859. Her father was a Yorkshire banker who left her with an income for life when he died. Her financial security was in sharp contrast to the experiences of many women at that time. Many women who couldn't work, because of disability, societal norms, illness or old age, experienced poverty, exploitation, and homelessness.

Smallwood began collecting money to support women who were less privileged than her. In 1886, she founded the Smallwood Trust. At that time, it was called the Society for the Assistance of Ladies in Reduced Circumstances. From small beginnings, it grew into a large endowment.

## Where the Trust's money came from

Edith Smallwood urged Britons with wealth and power to donate funds to support less privileged women. In the late 19th century, Britain's power and influence was closely connected with colonialism. Smallwood invested the money she collected. Fund managers chose investments that would provide a stable return.

The Smallwood Trust's money isn't directly connected to the transatlantic slave trade. This is what we'd expect, since slavery was almost totally outlawed in Britain by 1886,

when Smallwood first started her collections.

However, some of our money is connected to the East India Railway Company (EIRC).

We found that:

- Approximately 0.03% of our money comes from investments – stocks – in EIRC.
- The total of these funds in today's money is around £318,000.
- Some funds are also linked to John Buchan, first Baron Tweedsmuir, who had links with the British empire in colonised countries including Uganda and Canada.
- It's likely there are indirect links to other harmful practices. Other early donors will have had connections to the British empire. Many wealthy Britons made their money directly or indirectly through colonialism. For example, in 1932, L.E.C. Jennings-Bramley died and left a legacy of £1,098 to the charity. She herself had purchased £5,000 worth of EIRC stock, and the proceeds from its sale were part of her estate when she died.

The remaining original investments listed in the Smallwood Trust's 1917 constitutional document were in UK railway stock, including Great Western Railway and Lancashire and Yorkshire Railway.

### Exploitive practice

The EIRC was run as a profit-making company and staffed almost entirely by white British people. Skilled jobs in engineering and management went to white British people, while the lowest-paid people were the Indian labourers who built the railways. They were paid little and endured racism and discrimination.

cotton. It also gave white British people well-paid professional jobs at the expense of local people in India who were denied access to resources and opportunities.

### Money and power

The Smallwood Trust exists to create more justice and equity in the world. It would contradict our values if we invested in practices that fuelled racist discrimination. We wouldn't do it today, and it's important for us to reflect on our involvement in this in the past.

We have discovered that between 0.01% and 0.03% of our endowment can be connected with the EIRC, and with individuals who benefited directly from colonialism.

We recognise that money is political. Many fortunes have been created through violence and exploitation. This includes exploitation of workers in inhumane conditions, and the extraction of natural resources with damaging consequences for the natural environment and local communities.

We commit to using our funds to centre the needs of the most affected people. This includes racially minoritised women, who live with the ongoing harms of colonialism, racism and sexism.

This doesn't erase the past or justify the harms of colonialism. It puts resources where they are most needed. And it helps us move towards a UK where racially minoritised women, and all women, can thrive.

### Why does this history matter?

As a grantmaking trust, it's important for us to understand and acknowledge where our wealth comes from. We recognise that

countries which comprised India at that time, which affects their economies to this day.


So, where do our findings take us? We have used the historical investigations into our investments as a further impetus for our racial justice work which is rooted in shifting power to racial minoritised women. This is core to our mission to enable all women to be financially resilient. Evidence indicates that proportionally, racially minoritised women experience financial difficulties to a greater degree than non-racially minoritised women and that this disparity is linked to structural inequality. We estimate we have awarded approximately £5m to community groups led by and for racially minoritised women, out of just over £15m in total since 2020.

We are deeply committed to tackling racialised and gendered poverty. We do this through direct grant-giving, and also through embodying anti-racism in our ways of working. We want to model transparency and openness about the origin of our wealth to help the charity sector more widely reflect on where funds come from.

Our anti-racism work is not restricted to examining our past. It also informs our strategy, mission and culture. We fund organisations that are led by and for racially minoritised women. We also address structural racism in our own governance particularly through our shadow board programme. We have introduced grant panels with membership comprising women with lived experience. And we are shaping an inclusive culture, which involves leading with EDI.

We are not afraid to connect past violence with ongoing injustice. We know that past injustice has helped to perpetuate ongoing structural violence (such as racism, sexism, gender-based violence and other forms of discrimination). Historically, the key barriers preventing genuine and lasting social change from happening include a lack of political will.

Our current work doesn't erase the past, or justify historic harm. It puts resources where they are most needed. And it helps us move towards a UK where racially minoritised women, and all women, can thrive.

The more we as a sector understand about the economic sources of power, the more we are able to dismantle oppressive systems that are the barriers to a more equitable society which so much of our work is geared towards. 

To find out more about the research behind this project, visit [smallwoodtrust.org.uk](https://smallwoodtrust.org.uk).

**Paul Carbury** is chief executive at the Smallwood Trust

## The Smallwood Trust's investment in the East India Railway Company helped to finance, and then made profit from, the exploitation of people in India

The Trust's investment in the EIRC helped to finance, and then made profit from, the exploitation of people in India. The railways helped to extract resources more quickly and efficiently. The company also undercut and replaced thriving local industries such as

past harms continue in the present. We recognise that the British empire was violent and harmful, and that it has harms which continue to the present day. For example, some historians estimate that the British extracted \$45trn in wealth from India and the

