

Social investment; just one string to the philanthropic bow

Jayne Woodley (www.oxfordshire.org)

For the past five years, I have had the privilege of being Chief Executive of Oxfordshire Community Foundation. After a lifetime in corporate business development and marketing, my decision to swap Barclays Capital for social capital was largely motivated by a personal vision to see ‘mass philanthropy’ embedded as a social norm during my lifetime.



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Given my banking experience, it's perhaps not surprising that I am enthusiastic about the concept of social investment and its potential for charitable causes to engage with new supporters who are looking to achieve not only a social return but also a financial return. However, I remain yet to be convinced that social investment will radically displace philanthropy. Recent experience has enabled me to identify differences between the moral imagination of those who choose to gift rather than invest in the common good.

Now that's not intended to suggest that the additional accountability and conditions that typically accompany social investment are demeaning to the voluntary impulse that prefers to trust in the effectiveness of a charity's work. It is crucial for all charities to take responsibility for evidencing their impact, not only in the spirit of accountability to funders, but also to assess whether or not they are actually making a difference to the cause they seek to champion.

My first encounter with social investment was with Charitable Bonds back in 2012. In their vanilla form they offered a mechanism whereby a supporter could retain ownership of their capital but gift any interest or income accruing to their preferred charitable cause, thereby doing some good with their asset and effectively achieving a social return.

With the benefit of hindsight, I can see that I was somewhat naïve at the time to consider this diversification a good thing in providing an alternative source of income, when balanced with the priority to grow our own endowment via ‘no strings’ donations. So it was interesting to hear Rob Wilson, Minister for Civil

Society, suggest on #GivingTuesday that ‘too many charities are devoting huge resources to chasing the same pot of money (and) too many are dependent on a single source of income, always just one cheque away from insolvency’.

To a large extent what I hope the Minister was really referring to were those charities that have previously heavily relied on significant government grant support. However, the majority of charities receive no statutory funding whatsoever and, according to the National Council for Voluntary Organisations (NCVO), ‘the golden age of government grant funding peaked ten years ago, (and is) now largely replaced by contracts and fees’.

So whilst the government might be keen to help the sector by providing a broader, more sustainable range of financial options, of which social investment is obviously one, it doesn't follow that more options alone will enable the third sector to step in and fill the service gap created by a retreating state. In the current context, what is the role of private philanthropy in securing the future of our civil society?

I see the biggest challenge facing social investment and the community sector more generally to be the lack of public debate about the role charities and social enterprises should play in the 21st century. There is a lack of commitment to reaching an unequivocal consensus as a platform from which civil society can grow. Achieving this consensus is never going to be easy and will demand much reflection, as well as plenty of honest and open dialogue that ultimately might result in our current social norms needing to be radically reformed. However, we only have to look to

other global events happening around us, such as the refugee crisis or climate change, for further evidence that as a society we appear to be in denial about our flaws, and to have reached a point of inertia. We have become increasingly adept at ignoring what we don't wish to be true rather than acknowledging the need for change and the role we as individuals can each play in leading that change.

Community foundations, with their unique ability to convene a diverse goodwill network from across the private, public and business sectors, have a crucial role to play in leading that change. We are uniquely positioned to drive collaborations and initiatives that will find solutions to some of our most pressing social problems. At Oxfordshire Community Foundation, we have hosted several lively and thought-provoking debates at the Oxford Union. In such historic surroundings, we know many of our guests have questioned their own moral purpose and reflected on what impact they are having on the world. At our most recent event we debated whether it was wrong to spend more on looking good rather than doing good – the reality being that as a nation this is actually what we are currently doing, spending the equivalent of £70 billion a year or an average of £1,000 per person on preening ourselves, compared to the £10 billion estimates for money donated to charity or spent supporting those in need.

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As Danny Dorling, one of our speakers against the motion put it: *“A bit of modest spending on ourselves is fine, but if you find that you are spending more on yourself than anything else, then that's veering towards being narcissistic – and narcissism is a disorder.”* Plastic surgeon Nigel Mercer suggested that, on the contrary, the huge personal spending on cosmetic treatments could be capitalised upon for the benefit of society: *“If VAT was put onto Botox and fillers, we could fund the gap in the health service”*, he said. *“We could bring in £2 billion in revenue a year if that tax was brought in – that is how much is spent.”*

A flippant comment perhaps, but one nonetheless that highlights the potential of the debate and creative thinking that seems to be so lacking in both our policy making and wider media coverage of the challenges we face as a society. Proof too, if ever it was needed, that

solutions can often be found where you might least expect them.

This then, is the other challenge that I see for any measurement of social impact: it generally requires the collection of a predetermined set of metrics. I would suggest that the mere existence of these are most likely to hinder rather than encourage creativity and innovation – and besides, humans tend to behave irrationally and frequently act on impulses triggered by a series of unconnected and unintended consequences. Therefore, any meaningful measurement of social impact must allow for this complexity, whilst aspiring to consensus and ultimately rigour and method. What has struck me the most during the past five years is that such complexity requires significant financial resources and focus.

So it would seem the best return on investment available at the moment would be for social investors to consider funding the core costs of charities and social enterprises who do so much to underpin our very existence and bring communities together for the common good. Giving them this much-needed financial stability would provide the freedom and headspace for community leaders to stop firefighting and chasing short-term funds, and invest their creativity and experience into creating permanent and self-sustaining funding models. I have no doubt that social investment has a part to play in this – but it should not be to the detriment of generous and unrestricted funding that is the lifeblood of innovative and genuinely impactful charitable organisations.

As James Partridge of charity Changing Faces put it so eloquently at our recent Oxford Union debate: *“We need to galvanise our society into giving much more, and in the process people will get a buzz out of it.”* Because traditional philanthropy, done well, benefits the person giving just as much as those receiving funding – helping them feel more fulfilled than they ever could by spending their money on themselves (or choosing to invest it for a financial return).

Jayne Woodley spent a corporate lifetime in business development and marketing, then joined Oxfordshire Community Foundation (OCF) in 2010. Her decision to swap Barclays Capital for social capital was largely motivated by a growing personal desire for greater social justice, and an awareness of the evolving role of philanthropy. She sees her current role as a privilege and the chance to indulge her own interests, inspiring others to believe in ‘community as a cause’. Jayne aspires to changing the financial landscape of Oxfordshire for good, and achieving the best possible social return on all charitable funding.