

# It is about value

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The relationship between money and mission is not as straightforward as looking at a balance sheet and calculating your turnover, profit and loss; it is a story about change upon which decisions are based and which must include a range of case studies, qualitative and quantitative data as well as financial information. In essence it is about value not return.

To understand the value of a philanthropic investment is to determine the best possible outcome from the point of view of the destination of the gift, based on a clear assessment of the aims and objectives of the charity. Focusing specifically on philanthropic investment in secondary education, how can we measure the return in relation to the short-term and long-term impacts on pupils, the institutions, stakeholders and the economy and how we can achieve a balance between return on investment (ROI) and profitability for the educational institution?

The two types of social return on investment (SROI) analysis include:

- 1) Forecast; this predicts how much social value will be created if the activities meet their intended outcomes.
- 2) Evaluative; this is conducted retrospectively and based on actual outcomes that have already taken place.<sup>1</sup>

Investment in education is primarily about investment in potential so is in essence a moving target. This is the major aspect to consider when 'selling' investment in education to a philanthropist. Higher education and investment in universities is far easier to quantify and therefore forecast results, as a philanthropist can invest in defined capital projects, for example the Cavendish Laboratory, the Cambridge-based lab where DNA was discovered. It is currently being redeveloped to meet the needs of future students and academics who will surely carry on the legacy of innovation and discovery.

The Cambridge 'brand' is a lure in itself in terms of philanthropic investment as the return is the tangible connection and relationship to the name and the building, potential innovation and discoveries. Forecasting the success of any investment here is far easier to value as it's a centre of excellence which can be clearly verified historically and evaluated based on clear academic success and merit. University philanthropy is far easier to gauge in terms of long-term investment,



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and current fundraising campaign literature at the major world universities, reflects this.

Secondary education, however, is rather different as the outcomes and therefore the terms of evaluation of philanthropic investment, are less tangible. Secondary education encompasses perhaps the most turbulent and decision-based period of a child's life but it is also a time when investment in opportunities for them to explore, engage and make informed decisions, is crucial. In terms of philanthropic investment, how can we measure ROI in children/young adults aged 11-18; the era of academic examinations, emotional and physiological change and the ages where they will make decisions that will impact on the rest of their lives? An age where outcomes are by their very nature difficult to forecast with accuracy due to the variables involved. Do you measure investment returns solely on exam results, number of first choice university places, university ranking and subject choices? Or the quantity of children taking STEM subjects? Or the overall long-term success of that child on all fronts be it sporting success, academic capability, career choices and earning potential and the success of their personal lives?

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The curriculum is open to change and teachers and teaching methods can vary, teenagers develop at different rates and the outcomes may not become noticeable or be open to evaluation for some considerable time, sometimes years afterwards. Those philanthropists looking for quick results would potentially be better advised to look elsewhere as investment in this particular period of education needs to be a long-term and committed one. It also needs to be clearly understood by the donor, and transparency from the charity in terms of presenting the case for support has to be paramount.

### **The importance of case studies and the influence of history**

If we are to analyse the two types of SROI, then case studies are an essential element to look at as real

examples are the biggest persuaders in terms of the benefit of philanthropic investment in secondary schools, most particularly, independent boarding and day schools. For those philanthropists willing to make a social investment based on emotional reasons, the potential social rewards and the feel-good factor can be limitless and in my previous career as a teacher and housemistress, I observed first-hand the impact of philanthropic investment on children from seriously disadvantaged backgrounds.

I worked in a school where there were 100% boarding scholarships for children who would benefit from a full boarding place. It was aimed at children who had had a difficult start in life, frequently without one or both parents and under huge financial strain, who would embrace the opportunity to be educated in a boarding environment. I watched these children blossom and grow up to be confident and articulate young adults who had the tools to enter the wider world well educated and informed with a world of opportunity in front of them. All went on to university and all of them are now contributing to society in the form of expertise, taxes and are valued members of the wider community. They believe in the power and value of education and the opportunity it offers and this is something that they will pass on to their own children.

This personal experience is something that is backed up by qualitative and quantitative evidence as the experience of being in a boarding school has been demonstrated as being a far better alternative to social care with hugely positive outcomes not just for the children themselves but for their families and the schools involved in these initiatives. The UK government is looking to increase the number of free boarding places available to children who face the prospect of 'going into care', and with scrutiny focussed upon the charitable status of the independent schools sector, the value of social investment is something that needs to be carefully monitored, assessed and analysed.

History can clearly influence future investment and this is where long-established and eminent educational institutions can attract greater philanthropic investment putting newer institutions – most especially those concerning the education of women and girls, at a disadvantage. This is not a sexist view, but simply a statement of fact as women's education is relatively new in a historical context and simply does not have the financial weight of history and endowment which are the status quo for many educational institutions which were founded and endowed long ago, usually

by men. Here at St Mary's, our own foundress, Mary Ward, recognised the need for women to have access to education over 400 years ago and we continue to address this need today.

However, the formal education of women as a right – at least in the western world – is little more than 150 years old, and the opportunities for women to create their own personal wealth is still in its infancy in historical terms; it was only as recently as 1870 that the Married Women's Property Act came into force and women were allowed to retain their property upon marriage, rather than relinquishing all control and entitlement to their husbands. In addition, it only became the norm in the 1980s for women to go out to work after they were married and return to work after having children.

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This has had major implications for girls' education in terms of alumnae donations and endowment. The vast majority of girls' schools do not benefit from the security of a large historic endowment and it is a long-term commitment for these schools to build and grow relationships with their alumnae and supporters so that they can benefit from the increased opportunities and wealth potential that education has given to women. Philanthropic investment in girls' independent education is by its very nature behind that of the long-established boys' schools as a result and is something that needs to be addressed over the long term, to ensure their longevity and enable parental choice, as well as prepare girls and young women to take their place as complete equals in society. Men continue to be the greater philanthropists in terms of volume of investment and women, in addition, give differently to men both in terms of the monetary volume and in what projects they will give to. Women have a far more pragmatic view and will assess the value of the project to them both emotionally and financially; they are more likely to give to causes than buildings so bursaries and access to education is something that, in my experience, is far more attractive for female philanthropists.

Finally, philanthropic investment in education is also arguably, hugely beneficial for social mobility. Bursaries have long been a feature of independent schools and in considering the value of social investment, the opportunity to progress from financial hardship to

financially comfortable is a concept to explore. The grammar school system was originally devised to promote this; children from poorer backgrounds would have access to an outstanding education at negligible or no cost giving them the opportunity to escape the poverty trap.

My own grandfather benefitted from a 100% scholarship, endowed by a local philanthropist, to the Royal Grammar School in Newcastle. He came from a poverty-stricken background and received a top-class education, winning a scholarship to Durham University. Although he didn't take up his place at Durham due to having to go out to work and support his younger siblings, he rose to be managing director of the company he worked for and both my father and uncle were taught the value and opportunity of a good education. Both of them rose to be on the boards of their respective multi-national companies. I was the third generation to benefit from a highly academic education and the first girl in the family to attend university. My niece and nephew are now following in our footsteps, hoping to be a vet and an engineer respectively. Surely a great case for support for philanthropic investment in education; one scholarship awarded in 1917 has resulted in a chain reaction spanning generations.

<sup>1</sup> (From the *Guide to Social Return on Investment*, 2nd edition, 2012, produced by Matter and Co for the SROI Network)

**Julie Hogg** is a Cambridge Graduate and holds a B.Ed (Hons) from Homerton College in History & Education and an M.Phil in History of Girls' Education from King's College, Cambridge. She took over the post of Head of Development & Fundraising at St Mary's School, Cambridge in October 2015 and is currently spearheading the school's first major fundraising campaign. Having previously been a teacher and Senior Housemistress at both More House School for Boys with SEN in Frensham and at Queen Margaret's School, York, she made the switch to fundraising in 2011, starting her development career as Annual Fund Officer at Newnham College, Cambridge. Following that, she was the Alumni & Events Officer at Cambridge University Boat Club and Cambridge University Women's Boat Club, coordinating the Ely Boathouse Fundraising Project, where she worked with a team of alumni volunteers to raise over £4.5m for a new home for Cambridge University rowing. She is a passionate advocate of women's education, special needs education and equality of opportunity; education can change the world and it starts with women who are, predominantly, children's first educators. She has also represented Scotland and England in rowing and will be undertaking the Coast-to-Coast Cycle Challenge in August 2016.