

philanthropy|uk : newsletter *inspiring giving*



Matthew Bowcock:
Grassroots giving on home turf

A quarterly e-letter for all those interested in the development of philanthropy

Also in this issue:

Philanthropy advice:
sector survey

See our Quick guide to
philanthropy advisors

A decade of development:
the rise of professional advice

Letter from America
an insider view of the US market

New Philanthropy Capital
leads debate on the business
of philanthropy

welcome

Welcome to the September 2009 edition of the *Philanthropy UK Newsletter*.



The demand for ‘more effective’ philanthropy has given rise to an ancillary ‘sector’ – philanthropy advice. Donors today can take advantage of a growing number of very different organisations prepared to advise and support them on how to give more effectively, efficiently and enjoyably. But as the number of these providers increases and the sector expands – and in the last few months we have seen at least four advisory services launch in the UK alone – so the choices can become overwhelming. Where does a donor seeking formal advice begin?

In this issue of the *Philanthropy UK Newsletter*, we attempt to answer that question. We have interviewed a broad cross-section of providers, including charities, wealth managers, solicitors and specialists to find out what services they offer and what each one feels is their unique selling point. Our *Quick guide to philanthropy advisors* is a user-friendly matrix of services currently on offer and is presented in an easy-to-compare format.

Our lead feature goes ‘inside’ the advisory sector to explore the opportunities, challenges and issues facing donors and advisors, and in ‘*A decade of development*’ we chart the rise of the advisory ‘market-to-be’ – for this sector is still finding its feet. The development of the market is under discussion in ‘*The business of philanthropy*,’ in which specialist advisor New Philanthropy Capital looks at how the market might be

built, offering insights from its own research due to be published this autumn. The US market is a fair way ahead of Europe, and in her ‘*Letter from America*’ Melissa Berman, CEO of Rockefeller Philanthropy Advisors, gives a personal view, exploding a few myths about setting up as an advisor and offering informed opinion on what will aid the development of philanthropy advice across the globe.

We hope you find this newsletter useful and we always welcome feedback and ideas from our readers, so if you would like to comment on this issue, or contribute an original article, please email us at editor@philanthropyuk.org.

Best wishes,

A handwritten signature in black ink that reads "Cheryl". The script is fluid and cursive.

Cheryl Chapman
Managing Editor

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Philanthropy UK aims to inspire new giving by providing free and impartial advice to aspiring philanthropists who want to give effectively. An initiative of the Association of Charitable Foundations, we also publish *A Guide to Giving*, the essential handbook for philanthropists. www.philanthropyuk.org

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Philanthropy advice: sector survey

Buying in to advice: *what professional advisors can add to your giving*

by Cheryl Chapman

Philanthropy advice is exciting a lot of interest from providers and donors, but has a way to go before the promise it presents to both is fulfilled. Donors faced with a growing phalanx of providers need a way to navigate their way to the reputable ones best suited to help them. Meanwhile providers are challenged to meet donors' unique demands, communicate the value of their offer and build a sustainable – and paying – marketplace. Here Philanthropy UK goes 'inside' the philanthropy advice sector to discover the services on offer, the value they deliver to philanthropists and the key questions donors should ask before taking advice.

"A new generation of philanthropists is emerging, anxious to see visible change and push the boundaries in charitable giving. This has created a role for a new generation of creative and innovative professional advice," says Ceris Gardner, partner of Maurice Turnor Gardner (MTG), a new law firm offering international wealth management solutions including philanthropy advice.

In its previous guise (the recently demerged private client department of Allen & Overy LLP) MTG was one of the first law firms to enter the UK philanthropy advisory 'space', which has grown apace over the last decade (see *A decade of development* in this issue).

Commercial, professional and charitable organisations now offer a diverse range of services to help donors be more effective and efficient in their giving. These providers of advice include foundations, charities, banks, solicitors, accountants, multi-family offices and specialist consultants.

There is evidence of continuing growth in demand for advice – one recent study shows that across Europe, 63% of advisors receive more requests for philanthropy advice now than two years ago¹.

But there is also evidence of donor dissatisfaction: in another study of ultra-high-net-worth individuals (UHNWs) in the UK, Germany and Switzerland undertaken in 2007 by Scorpio Partnership, commissioned by NPC, wise and Bertelsmann Stiftung, called *'Philanthropy amongst ultra-high-net-worth individuals and family offices in Europe'*, it showed that 90% did not believe traditional wealth advisors were meeting their needs.

There is a recognised gap between the high aspirations of the wealth management industry in providing advice and the fact that many advisors aren't adequately trained or confident enough to talk about philanthropy with clients.

To help address this, Philanthropy UK launched a new website this month in conjunction with the Society of Trust and Estate Practitioners (STEP), called **Giving Advice**; the site offers advice and resources for intermediaries wanting to improve the efficacy of their clients' philanthropy.

'Commoditising' services is another obstacle for both providers and donors.

¹ *The role of wealth advisors in offering philanthropy services to high-net-worth clients*, Scorpio Partnership, October 2008

*Children in a school lesson aboard a Boat School classroom, a project supported by the Global Fund for Children UK Trust
© Abir Abdullah / Shidhulai Swanirvar Sangstha*



While many wealthy donors are willing to pay for advice, according to the research, professional advisors are struggling with how to charge for their advice in a way that donors can easily understand and compare.

Some advisors report a reticence among donors to pay a fee, seemingly due to an underlying belief that services associated with philanthropic giving should be free or subsidised in some way, or because there is confusion over what's on offer.

However, investment from donors and advisors is crucial if the market is to develop. This is more likely once the value of advice is communicated by providers and understood by donors. There is a mutual learning curve to ascend.

Warren Lancaster, European Advisory Director of Geneva Global international (GGI), observes, *"Paying a fee for professional philanthropic giving advice has only recently emerged with 'new philanthropy,' and some philanthropic investors are still cautious about it. But as the improved social return on investment becomes clear, it will prove to be good value for money."*

Many believe the turning point will come once philanthropists see advice as an 'investment' rather than a 'spend'.

Sean Stannard-Stockton, chief executive of newly-launched US-based Tactical Philanthropy Advisors (TPA), makes this point in his Tactical Philanthropy blog entry of August last year.

"As long as donors view giving as a spending category, they will be highly resistant to paying for information and advice to guide their giving. But to the extent that donors reframe giving as an investment activity... watch out, you'll see an explosive new industry emerge to help guide the \$300 billion plus that Americans give to charity each year."

There is an onus on those involved in developing the advisory market to more clearly communicate the value professional advice can deliver.

Clare Brooks, of the Community Foundation Network, says, *"We know from the feedback our members receive from clients that they value philanthropy advice; however not all of them would acknowledge that philanthropy advice was what they thought they needed when they first started out. Sometimes it is only later that they acknowledge the value of the process they have been taken*

through by the community foundation, on the journey. Therefore the challenge is to change the perception of philanthropy advice to highlight what it can do for the client and for better outcomes. We all have to do much more to promote the value of this service."

This perceived 'value' is likely to increase as advisors become more professionalised and the sector becomes more transparent.

At present, the advisory landscape is difficult for donors to navigate and differentiate. There are no entry standards and anyone can set up as an advisor. One credential gaining acceptance in the US is the Chartered Advisor in Philanthropy designation from The American College, according to Stannard-Stockton.

There is a call in the UK for a charter or code of conduct to be introduced. Certainly as the philanthropy advice

Case study 1: A client's view

We started working with Rockefeller Philanthropy Advisors (RPA) approximately two years ago. We are a US-based family foundation with \$10m (£6,066,219) worth of assets, donating approximately \$500,000 (£303,000) a year to causes, including retraining non-violent ex-offenders into employment, micro-lending and health-related causes.

Prior to working with RPA we had donated money on an ad-hoc basis, responding to requests and giving in a very symptomatic way that lacked continuity. We felt we wanted to channel our energies and funds to projects that were prioritised and as a result give in a more effective and strategic way.

In other areas of our lives we organise and give thought to how we prioritise our activities and we felt we wanted to apply that to our giving and achieve a more rigorous approach to our philanthropy.

We had seen a number of news items during 2006 about RPA's work with other foundations and something about their approach appealed to us. After meeting them we were even more impressed with the professionalism of their people, their thought processes and their knowledge. We liked their personal competence and demeanour. We really felt they were 'top of the class';

I refer to them as the 'McKinsey of philanthropy'. It is important to have this level of confidence in an advisor to be able to work with them in a meaningful way.

The value of taking advice has been several-fold. After setting some of our own parameters, RPA was able to identify relevant causes and provide assistance and guidance on the best way to support them. RPA also provides hands-on operational support, overseeing the implementation of our philanthropy. As we are a small family foundation with no staff, to be able to 'rent' knowledgeable staff from RPA is invaluable. Though it is difficult to measure impact, based on anecdotal evidence, I have absolute confidence that by taking advice we are doing more than we would through our own efforts and in a more effective and focussed way, thereby achieving greater impact.

Are we happy to pay for advice? Yes. We view philanthropy advice in the same way as taking any professional advice, such as legal consultation. We are paying to effectuate our goals, which RPA helps us do through their expertise and knowledge. If we didn't work with them we would have to give more of our time which, as a busy family, we don't have. We feel it is a very reasonable trade-off. There is an added comfort in knowing RPA is a not-for-profit organisation.

The advice I would offer other donors thinking of taking advice is to be confident in their advisor's ability, their knowledge of philanthropy, the quality of their people and in the way they operate.

market grows, questions about how to 'police' professionalism ought to become a bigger issue.

Etienne Eichenberger of Geneva-based philanthropy advisor wise, says: *"The marketplace is confusing for donors – the clarity between various offers is still too poor today. Claims are being made by advisors but it's hard to know who or what to believe. It seems to us that there is a need for clarification in quality standards."*

Plum Lomax, of New Philanthropy Capital (NPC), which offers analysis and advice to charities and funders, says: *"There is no one strong leader in this area to develop the marketplace, create innovative products and take the industry in a clear direction. Within commercial organisations philanthropy has been more about the individual than a philanthropy service embedded within that organisation, with a few notable exceptions. Philanthropy has been more of a bolt-on solution than an integral service, and as a result development has been haphazard."*

NPC addresses this 'leadership vacuum' in a research report (see *The business of philanthropy*) to be published this autumn looking at how the market should best develop and who should be involved.

Going it alone

Perhaps this marketplace 'confusion' is one reason why many philanthropists are still happy to make their giving journey alone. For those who are confident in the 'why', 'what' and 'how' of their giving, informal advice via the web may be a good place to start. A wealth of easily accessible and free resources exists to support aspiring

A recipient of a Shivia Microfinance loan, making baskets. She will use the money to further her business in her village. Photo © Shivia Microfinance.



donors wanting to give more effectively, such as those on the Philanthropy UK website (see *Philanthropy UK advisory resources*).

Aspiring donors can also discuss aims and objectives with family, friends or colleagues who have already begun their giving journey. Indeed, many organisations offer ‘donor-networking’ opportunities as part of their donor education programmes.

Maya Prabhu, senior philanthropy advisor at private bank Coutts & Co, which organises donor forums for its clients, says: *“There are lots of right ways to give – it is a balance between head and heart. By mixing with other donors people can hear stories, share ideas and develop their own theories of philanthropy.”*

But as donors become more businesslike about their giving, so taking professional advice becomes a more compelling solution.

A client of the Institute for Philanthropy comments: *“When you’re making money, there’s an entire infrastructure around you – assistants, associates, accountants – that facilitates your success. However, when it comes to giving money away, an equivalent infrastructure isn’t so readily accessible. In that sense, the philanthropy sector needs strong and stable institutions, similar to successful organisations that you might find in the private sector.”*

Professionals can offer donors a ‘short cut’ to practical and strategic support and give access to research, expert knowledge and often global networks, alongside donor networking and education, tax advice and vehicle structuring. They offer specialist advice for particular types of donor such as families or those who want to support specific causes or giving at a global or local level. Some organisations will do all of the above and more (see *Quick guide to philanthropy advisors*). However, Heiko Specking, Head of Charity Services at VALUEworks, a Zurich-based multi-family office, says, *“Advisors are not there to tell donors what to do. Their role is to guide and support clients in identifying and exploring their options.”*

Which leaves donors with a difficult decision – how to choose their advisors.

Choosing an advisor

A donor seeking formal advice could ask themselves a number of questions before engaging an advisor, such as why they are seeking advice, how they know they are ready to receive it and whether they will use more than one advisor. See *Questions to ask* for further guidance.

As philanthropy is such a personal experience, ‘trust’, ‘chemistry’ and ‘intuition’ play an important part in forming an effective donor/advisor relationship. wise’s Eichenberger says, *“As well as understanding and asking*

Questions to ask

Philanthropy UK's *A Guide to Giving*, available at www.philanthropyuk.org, suggests a giving journey should begin with setting objectives and it offers a raft of questions philanthropists should consider.

For this article we have compiled two checklists of essential questions a donor should ask (a) themselves and (b) potential advisors prior to choosing an advisor.

Questions donors could ask themselves:

- 1 Why do I want to give? What are my motivations?
- 2 What causes am I passionate about?
- 3 What do I want to achieve?
- 4 How can I have an impact?
- 5 How do I want to give? Do I want to consider new approaches?
- 6 How much money might I be able to give? Over what period of time?
- 7 What legal and tax issues do I need to consider?
- 8 What do I want to learn? What evidence do I need to assess impact?
- 9 What time do I have to commit to philanthropic pursuits?
- 10 How involved do I want to be in the decision-making process and ongoing monitoring and evaluation?
- 11 Could my philanthropy be more effective through collaboration?
- 12 Do we as a family feel that we are ready to allocate some time to planning this aspect of our lives properly?
- 13 Who in the family should be involved in selecting the advisor and what sort of criteria should we use in selecting them?
- 14 Do I trust this advisor?
- 15 What type of professional advice would be most helpful?

Questions donors could ask potential advisors:

- 1 What practical experience have you in giving philanthropic advice? How long have you been advising clients on their philanthropy?
- 2 What training have you had? What is your track record and can you provide case studies?
- 3 Do you focus on certain areas or do you provide an end-to-end service? If not will you introduce me to others who are experts in given areas?
- 4 Which clients of a similar profile to mine have you worked with?
- 5 May I speak to a client or previous client? Will you be able to introduce me to clients and other intermediaries?
- 6 How would you describe your values and approach?
- 7 What are your own personal philanthropic interests?
- 8 How do you charge/what is the basis of your fees?
- 9 How are your services funded?
- 10 Are you an independent advisor or do you belong to or are you connected to another organisation?
- 11 Do you offer a tailored service or standard solutions?
- 12 What approach or methodology of non-profit analysis do you employ?
- 13 Do you offer opportunities for continued learning and mentoring?
- 14 From what you know about our family, what sort of process would you recommend to us, what would it involve, how long would it take and what would it cost?
- 15 There is a range of different interests, ages and desire for involvement among family members. Do you have experience of working in that situation?

about the hard facts of an organisation, a donor should use their intuition when choosing an advisor and ask themselves 'Do I trust that person to do what they say they will do?' That being said we find that our clients are well equipped to undertake such due diligence. Philanthropy is like any other tailor-made service they may need."

Emma Turner, head of client philanthropy at Barclays Wealth, describes giving philanthropy advice as *"akin to life coaching or being a doctor"*.

"At Barclays Wealth, advice is offered on a one-to-one basis and in strictest confidence. People tend to give as a result of their personal experiences, passions or even concerns which often includes the next generation. They need to be able to talk openly about these before we can begin helping them put a philanthropic strategy in place. Once we have had those initial discussions we can start to make a plan which may also include connecting them with other specialists in the field for particular needs."

Coutts & Co's Prabhu agrees that free-flowing conversation is key to setting a donor on the path to effective and rewarding philanthropy: *"Philanthropy is a very personal and human pursuit and a donor must feel relaxed enough to speak openly and freely with their advisor in order that their aims can be met."*

The range and quality of philanthropy advice varies, so perhaps the best way to start is to seek recommendations from peer networks. Also ask advisors for case studies, details of qualifications and previous experience and ask to talk to current clients. See *Questions to ask* for a list of questions you could explore with potential advisors.

Available services

The type of advice you might require will be driven by a range of factors, such as your objectives, the level of information and engagement you seek, and the stage of your giving journey. Most donors are likely to benefit from a range of specialist advice as few providers offer end-to-end services. Our *Quick guide to philanthropy advisors* shows the services each provider offers.

Below we outline various types of advice you might consider and offer food for thought from our panel of experts.

Early stage advice

Most organisations Philanthropy UK interviewed offer 'early stage' consultancy services designed to tease out a philanthropist's motivations and to identify the causes closest to their hearts, *"clarifying philanthropic vision and goals"*, as Tanja Jegger of Stonehage Philanthropy Services describes it.

"Once we understand those personal reasons for giving we can begin to create a bespoke strategy."

Barclay Wealth's Turner says: *"It's often not until they have that first discussion that donors really begin to understand their own motivations for giving. Once we understand those personal reasons for giving we can begin to create a bespoke strategy."*

Tax advice and mechanisms for giving

Traditionally philanthropy has been about setting up foundations to create endowment pots from which grants can be made. Today there are myriad ways of giving; such as establishing a charitable trust, a charity account or a donor advised fund, payroll giving, legacies, and donating shares. More innovative options include micro-lending and loans to charities. In fact the philanthropic lexicon continues to grow as new ideas surface, against a changing landscape of tax breaks and new regulations. Advisors can keep abreast of these developments probably more easily than an individual and they can also provide legal and administrative support.

Clive Cutbill at Withers LLP, the solicitors, says achieving cost-effective and efficient giving requires that money is *"husbanded tax efficiently and spent effectively. Professional advice is required in relation to tax structuring (and can be complex where international issues are involved), allocation advice is then required to ensure that the money, enhanced by tax efficiency, goes as far as possible."*

Though he highlights the importance of “ensuring that a foundation is properly tailored to enable the donor’s aspirations are satisfied to the greatest extent possible within the relevant legal and fiscal constraints.”

Donor education and networking

GGI’s Lancaster says a key reason for taking advice is “for the difference the service will make to a donor’s philanthropic vision”.

Professionals can offer an overview of the philanthropic landscape, as well as provide a micro view, and can dramatically cut short ‘learning time’.

Ludwig Forrest, philanthropy advisor at Brussels-based King Baudouin Foundation (KBF), which works to promote justice, democracy and diversity, says, “a philanthropist may choose to work long-term with an advisor or just during the first years in order to learn about what they can do and how to do it”.

“Taking advice prevents philanthropists from ‘re-inventing the wheel’ by undertaking a specific action that another foundation, philanthropist or stakeholder is already working on,” he adds.

Specking, of VALUEworks, says, “The best education for clients and individual advisors is to get personally engaged in a project that reflects their own values. It is a process that should be carefully accompanied by a charity service advisor who provides good research for a suitable project, introduces a monitoring mechanism for the donations spent and coaches the client in their need to

Case study 2: An advisor’s view

One of our clients, a young entrepreneur, was introduced to the concept of charitable giving three years ago during a regular meeting with his trustees and a financial advisor. Besides the usual agenda, the philanthropy topic was raised by the trustees and set aside by the settlor with a disapproving smile.

For the trustees, this raised the question of whether to try another approach to address the subject of giving or to leave it for good. In this case, the philanthropic question became standard during the quarterly meetings and, slowly, a shift in the mindset of the entrepreneur was noticeable.

The change was triggered during the estate-planning discussions as to whom the valuable business was to be left should he die. The client started to establish a good

general philanthropic understanding, which led to deeper discussions with the whole team – trustees, protector, spouse, financial advisors and business partners.

The most difficult discussions were about finding a suitable cause to support, and during this phase of intense exchange the client became interested in the subject of social entrepreneurship and he decided to establish his own charity.

Still, the process of becoming really passionate about a cause can sometimes change course, and one should allow sufficient time to be sure about one’s true future philanthropic commitment.

By Heiko Specking, of VALUEworks, a multi-family office, Zurich

*This is an edited version of a case study that first appeared in *The role of advisors in philanthropy*, STEP Journal February 2009.

fully develop their own long-term giving strategy.”

Some organisations offer ‘hands-on’ experience through workshops and field trips, while others hold donor forums and networking events.

A less explicit, but equally important, aspect of taking advice is the quality and reach of an advisor’s network and contacts. Through them advisors can help philanthropists find the right stakeholders, an important condition of achieving impact.

JP Morgan Private Bank cites *“the opportunity to meet and discuss funding strategies with other philanthropists as well as to link with other professionals in the field – whether grant makers or service providers”* as a major benefit of taking advice.

Strategic advice for greater impact

Most organisations will provide advice on setting up strategic frameworks for giving, which can include recommendations on specific charities or social investments, monitoring and impact evaluation.

Dr Felicity von Peter, founder and managing partner of Berlin-based Active Philanthropy, a charitable platform for families and individuals interested or already engaged in philanthropy, makes the point that *“it’s very important for donors to align their philanthropy with other roles they have to fulfil, be it as entrepreneurs or students or simply as family members. The best philanthropic strategy will help donors to connect these activities to a new ‘DNA’. It is therefore important that advisors fully understand the motivation and life situation of a donor at each stage of*

their journey as a philanthropist.”

NPC’s Lomax says such advice *“can turn disengaged donors into engaged donors, once they understand measurable results and other business reasons for giving in a particular way.”*

Gardner of MTG adds: *“Sophisticated donors need sophisticated advice. They are becoming more ambitious in their philanthropic aims and require guidance on how best to ensure that they achieve their personal, financial, commercial and charitable objectives.”*

What can donors expect from advisory services?

Service providers usually talk of being ‘donor centric’ – putting the donor at the heart of the process, so it is a good idea to ask about a provider’s approach to philanthropy advice and where the donor sits within it.

Theresa Lloyd, an independent provider of philanthropy advice, offers a neat summary of what good advice looks like: *“If undertaken by individuals who really understand the sector and the motivations, values and concerns of donors and their families’ planning or thinking about philanthropic engagement, then advice offers independent, values-based, experienced, expert and completely confidential guidance, with no prior bias as to the focus, level of involvement or the mechanisms used.”*

While President and CEO of US-based Rockefeller Philanthropy Advisors (RPA) Melissa Berman says: *“More tactically, a good philanthropic advisor should know how to survey a field, identify strategic options,*

“It’s very important for donors to align their philanthropy with other roles they have to fulfil, be it as entrepreneurs or students or simply as family members. The best philanthropic strategy will help donors to connect these activities to a new ‘DNA’.”

“It’s not only more effective to include the ideas and opinions of professionals and experts in the foundation’s work, it is also fun to work and to exchange ideas with a professional and highly motivated team.”

partner with other funders, establish respectful, productive relationships with grantees, and provide meaningful, fair assessment of progress.”

Russell Prior, Charity Aid Foundation’s (CAF) executive director of Enterprise and Philanthropy Development, offers his perspective on what good professional philanthropy advice can deliver: *“It offers donors confidence in decision-making and risk-taking in regard to their charitable giving. It also provides a sense of purpose and direction to philanthropy which can broaden horizons, expand aspirations and allow for the exploration of new means of donating. It offers access to practical legal and administrative solutions enabling the donor to focus on what interests them, which is how their funds can have a big social impact.”*

Just as importantly, working with professionals *“should be a rewarding experience in itself”*, he says.

And clients agree. A donor working with Active Philanthropy says: *“It’s not only more effective to include the ideas and opinions of professionals and experts in the foundation’s work, it is also fun to work and to exchange ideas with a professional and highly-motivated team.”*

As services develop, trends and best practices are beginning to emerge. Philanthropy UK recommends asking about advisory approaches that are bespoke, collaborative, objective and value-added:

Bespoke

Forrest of KBF says, *“There is no one method or tool that*

Philanthropy UK advice resources

Philanthropy UK offers independent advice and support for donors and client advisors including:

A Guide to Giving

The comprehensive guide includes a framework for effective giving, presented in a step-by-step format to help donors create a charitable giving strategy that reflects their motivations, interests, circumstances and objectives.

The Philanthropy Directory is a comprehensive guide to the wide range of charitable services and products for UK givers – from databanks of possible charities you can support, to advisory services specially tailored to your personal interests and giving. It also includes detailed profiles of many of these charitable organisations.

Your Giving Journey aims to help donors get started by addressing the five w’s of giving.

Philanthropy UK Newsletter

This quarterly newsletter offers in-depth insight on philanthropic topics, such as impact evaluation and international philanthropy. Recent contributors have included Tony Blair and Sarah Brown, PR advisor and wife of the Prime Minister. Its readership represents over 70 countries around the globe. Its companion fortnightly *News Bulletin* reports on the latest news and developments from across the world.

► www.philanthropyuk.org

Giving Advice: a guide for philanthropy advisors

Philanthropy UK, in partnership with the Society of Trust and Estate Practitioners (STEP), recently launched a new website providing a comprehensive ‘one-stop’ guide for private client advisors of all types to more effectively support their clients’ philanthropic aims.

Giving advice offers essential information in one place. The step-by-step guide includes a framework for advising clients on philanthropy, case studies and key questions and answers, with signposts to more detailed information and other helpful resources.

► www.givingadvice.org.uk

“A good saying is, ‘If you want to go fast, go alone; if you want to go far, go together’.”

will provide a solution; rather philanthropists have a tool box available to them to help them achieve their intentions and they will use a mix of these.”

RPA's Berman adds, *“A good philanthropy advisor should be flexible about the myriad ways to achieve philanthropic goals, and meet the donors where they are.”*

While von Peter of Active Philanthropy, comments, *“Services especially tailored to the next generation help to pass on family values and traditions and to involve the next generation in philanthropy very early, thus fostering inter-generational exchange and understanding within a family.”*

Collaborative

There is growing acceptance that in order to cater for donors' varied and unique needs organisations will have to be more open to creating strategic partnerships.

With more niche operators expected to enter the marketplace, there will be even greater impetus for them to work together to deliver strategic solutions.

KBF's Forrest says, *“Philanthropy advice should genuinely be about the intentions of the philanthropist. We are happy to recommend partners if we feel this best suits our clients needs. We are seeing collaboration happen;*

joint research and commissioned studies is one sign of this.”

Prabhu, of Coutts & Co, says she works in a collaborative way on a day-to-day basis, having *“no qualms in reaching out to an advisor from another organisation if they can offer advice that would help my client, and vice versa – I have received many calls from other advisors seeking information or contacts.”*

While wise's Eichenberger adds: *“I am not sure if this is a wish or a trend but we seek greater collaboration between advisors and in helping donors network. A good saying is, ‘If you want to go fast, go alone; if you want to go far, go together’.”*

A culture of collaboration will be further fuelled by philanthropists seeking to tackle global issues and the increasing demand for cross-border giving. Specialist intermediaries like Investing for Good and NPC, which support a mix of audiences such as funders, charities, professional advisors and businesses will also bring more organisations together. NPC's recent joint research commissioned in conjunction with wise and Germany-based Bertelsmann Stiftung Foundation is a good example.

Stannard-Stockton of TPA says, *“Advisors need to collaborate and realise that at this point in the development process, building the market is more important than fighting over market share.”*



A pupil during a handwriting session at Priors Court school, which provides specialised education for children with autism and was established by founding patron Dame Stephanie Shirley.

Objective

As the diversity of donor interests and approaches increases, so objectivity becomes more important.

RPA's Berman says: *"Professional philanthropy advice helps donors make the optimal choices for advancing their goals, based on objective research and analysis."*

And Lancaster, of GGI, says *"It is likely that it will be generally accepted that 'best practice' for significant philanthropic investment includes independent professional advice from non-profit analysts."*

Charity monitoring and evaluation and 'due diligence' work also aids objectivity in choosing which projects to support.

Value-added

Good philanthropy generally requires an investment of time and money, whether a donor does it on their own or with an advisor.

By engaging an advisor, perhaps your aim is to save time, or that you learn more about philanthropy, or perhaps you want to give in collaboration with other donors – these kinds of benefits could be considered when determining the value derived from professional advice.

Engaging a professional advisor will usually involve fees and there are a huge variety of structures, from hourly

rates, per diem, as a percentage of the donation or fund, or within fees charged for administration. Some organisations don't charge, while others charge only in some instances, say for research projects or depending on the customer relationship (see *Quick guide to philanthropy advisors*). So you will need to check what you will be paying for and how that translates in terms of the value the advice will add to your philanthropy.

Conclusion

Professional advice can be instrumental in making your philanthropy more effective, efficient and rewarding. Yet many donors do not yet appreciate what professional advice can do for their giving. As Stannard-Stockton says, *"Most donors don't realise that philanthropy advisors are an option for them. The field needs to educate people to understand why they might need an advisor."*

But the market is still nascent and dynamic. For donors it can be confusing to navigate. Here we have provided for the first time a comprehensive survey of philanthropy advice providers in the UK and Europe with the aim of clarifying the services on offer and gaining a deeper understanding of what you can expect from them. Our *Quick guide to philanthropy advisors* offers a clear way to compare the services available. Case studies and key questions donors might ask have also been provided to offer further insight and support in choosing an advisor.

Independent online resources, such as those provided on the Philanthropy UK website, are a good starting point, as is consulting with your peer network.

But if you are thinking of taking professional advice, then establishing a relationship based on 'trust' with one or several advisors should be a main aim, along with establishing a clear strategy on what you want to derive from your giving.

Advisors should offer a flexible approach that caters for your aims and passions and be willing to work collaboratively with other providers to fulfil them.



Quick guide to philanthropy advisors

In our ‘at-a-glance’ guide, philanthropy advisors have listed the services they offer. We have presented this in a matrix so you can easily compare providers.

By clicking on the name of the provider in the interactive matrix, you can link directly to the Provider Services appendix. This details their services, their unique selling point and the fees they charge.

Alternatively, the guide is available as a separate PDF to download and print out.

If your organisation offers philanthropy advice to donors and you would like to add your services to our **Quick guide to philanthropy advisors** [CLICK HERE](#). You will be taken to where you can download a form to complete and email (editor@philanthropyuk.org) back to us.

Explanation of service categories

Mechanisms: The provider will set up vehicles through which clients can give, such as charity accounts and charitable trusts, and will undertake the associated ongoing administration, such as registration with the regulator and reporting.

Donor advised fund: The provider has an established donor advised fund which allows clients to give in partnership with other donors to specific causes.

Tax advice: The provider offers specialist tax advice, planning and structuring services to optimize the tax efficiency of clients’ giving.

Donor education: The provider offers advice at various stages of the client’s philanthropic journey. This often includes early stage advice to identify clients’ motivations to give and may provide workshops through which a client can learn more about ways to give and specific charities and causes.

Donor networking: The provider offers networking events for clients such as forums and workshops or access to their networks.

Charity recommendations: The provider will undertake ‘due diligence’ work and research into specific charities and rate them against set criteria.

Monitoring and evaluation: The provider offers ongoing monitoring of donations and the impact they make with regular feedback to the client

Cross-border giving: The provider has specialist knowledge, mechanisms or networks that allow them to offer clients the means to give efficiently and effectively across the globe.

Corporate philanthropy: The provider offers advice specifically targeted at companies to help them fulfil their CSR ambitions.

Key

Service provided in-house	●
Service provided in partnership	P
Service offered both in-house and in partnership	●P
Offers advice but no service provided	A
No service or advice provided	–

<i>Specialist advisors</i>	Mechanisms (eg charity trust, charity account)	Donor advised fund	Tax advice	Donor education (early stage advice, mentoring, etc)	Donor networking	Charity recommendation	Monitoring and evaluation	Cross-border giving	Corporate Philanthropy
Asian Foundation for Philanthropy	–	–	–	●	–	●	–	–	●
Association of Charitable Foundations	–	–	–	●	●	–	–	–	–
Charities Aid Foundation	●	●	–	●	●	●	●	●	●
Community Foundation Network	●	●	–	●	●	●	●	–	●
Geneva Global	P	P	–	●	–	●	●	●	●
Institute for Philanthropy	–	–	–	●	●	–	●	–	●
Investing for Good	P	P	P	●	●	–	●	P	●
New Philanthropy Capital	–	–	–	●	●	●	●	●	●
Pilotlight	A	A	A	●	●	●	●	A	A
Stewardship	●	–	●	●	–	–	A	–	–
The Trust Partnership	P	–	P	●	P	●	●	●	●
Theresa Lloyd Associates	A	–	–	●	●	● P	A	P	● P
Thomson Philanthropy	–	–	–	●	●	●	–	–	●

<i>Solicitors</i>	Mechanisms (eg charity trust, charity account)	Donor advised fund	Tax advice	Donor education (early stage advice, mentoring, etc)	Donor networking	Charity recommendation	Monitoring and evaluation	Cross-border giving	Corporate Philanthropy
Bates Wells & Braithwaite	●	A	● P	●	–	–	A	●	●
Farrer & Co	●	–	●	● P	●	● P	–	●	●
Maurice Turnor Gardner	●	A	●	● P	–	P	P	●	●
Withers	●	A	● P	● P	–	P	P	●	●

<i>Wealth Managers</i>	Mechanisms (eg charity trust, charity account)	Donor advised fund	Tax advice	Donor education (early stage advice, mentoring, etc)	Donor networking	Charity recommendation	Monitoring and evaluation	Cross-border giving	Corporate Philanthropy
Barclays Wealth	A P	A P	P	●	●	P	P	P	A
Coutts & Co	●	●	●	●	●	P	● P	● P	A
JP Morgan Private Bank	●	–	P	●	●	P	P	P	A
Spencer-Churchill Miller Philanthropy	–	–	–	–	●	●	●	–	●
Standard Chartered Private Bank	●	P	P	●	–	P	● P	●	●
Stonehage	●	–	●	●	●	● P	● P	●	–

<i>International advisors</i>	Mechanisms (eg charity trust, charity account)	Donor advised fund	Tax advice	Donor education (early stage advice, mentoring, etc)	Donor networking	Charity recommendation	Monitoring and evaluation	Cross-border giving	Corporate Philanthropy
Active Philanthropy (Ger)	P	–	–	●	●	A	● P	P	●
King Baudouin Foundation (Bel)	●	●	●	●	●	●	●	●	●
Philanthropy Ireland (Ire)	P	P	–	●	●	●	●	●	●
Rockefeller Philanthropy Advisors (US)	●	●	–	●	●	●	●	●	●
Tactical Philanthropy Advisors (US)	●	P	–	●	●	●	●	●	–
The Philanthropic Initiative (US)	–	–	–	●	●	●	●	●	●
VALUEworks (Switz)	●	–	P	● P	● P	● P	● P	P	● P
wise (Switz)	–	P	–	●	●	●	●	P	–

A decade of development

by Cheryl Chapman

The fledgling UK philanthropy advisory industry is approaching a tipping point; there is a belief by those working within it that in the next five years it could become a fully fledged market. Ten years ago the picture was very different.

Prior to the 1990s, only a handful of independent advisors and a few organisations existed to help donors in their philanthropic pursuits. While philanthropy continues to be very much a 'heart felt' activity, today's donors are increasingly taking a business-like approach to their giving, which includes seeking professional advice.

One of the first philanthropy support organisations was the Charities Aid Foundation (CAF), which can boast an 85-year history, starting out as the 'charities department' of the National Council of Social Service, now the NCVO, to encourage more efficient giving to charity, becoming independent in 1974 as CAF.

The Community Foundation Network (CFN) was another trail-blazing organisation, whose founding concept of promoting grassroots giving was an import from the US. The first six UK community foundations were established in the 1980s, with seed funding from CAF and the government. In 1991 the national association for UK community foundations was founded, funded by the 'CAF-Charles Stewart Mott Foundation Endowment Challenge' which raised £6m. The Charles Stewart Mott Foundation continues funding CFN today.

'New philanthropy' arrives

The next milestone for UK philanthropy happened around the time of the millennium, when it experienced something of a 'big bang'. In part this was a response to the general growing interest in philanthropy, but primarily driven by a new breed of philanthropist who had recently made a lot of money during the booming markets and wanted to do something more engaged and strategic with their own giving. Finding nowhere to turn, they came together with friends and colleagues to set up various organisations underscored by the business and investment principles that made them successful in their professional lives.

New Philanthropy Capital (NPC), which offers analysis and advice to charities and funders, was founded in 2001 by a group of leading City financiers. It was a typical example of this results-led approach. Cross-border specialist Geneva Global, established in 1999 in the US (and 2008 in the UK) was another advisor at the vanguard of this new movement focussed on maximising 'impact' and increasing the efficacy of giving. Both are now leaders in their sectors.

This approach was mirrored by philanthropy funds such as ARK (Absolute Return for Kids), founded in 2002 by a group of leaders in the alternative investment industry, and CIFF (Children's Investment Fund Foundation), founded in 2002 by Chris and Jamie Cooper-Hohn. CIFF, led by Jamie, is funded by fees generated by the Children's Investment Fund hedge fund run by her husband.

Support organisations also began to spring up around this time, such as the Institute for Philanthropy, founded in 2000 by Lady Browne-Wilkinson, a lawyer at the City law firm of Allen & Overy and a former chair of the Prince of Wales Foundation.

As the director of the Institute, her vision was to help charities to raise funds for good causes, by providing donors with greater incentives for giving.

As she explained, *"We wanted to be a catalyst, to use our networks and knowledge to develop organisations and ideas for the benefit of British philanthropy."*

In 2001, to meet a growing demand for independent advice, the Association of Charitable Foundations (ACF) established Philanthropy UK, with an aim to promote new philanthropy, particularly among those with substantial resources. It was funded for its first three years by Esmée Fairbairn Foundation, the Gatsby Charitable Foundation and the Lloyds TSB Foundation for England & Wales.

BirdLife International, a charity supported by the Coutts Environment Pilot Donor Advised Fund, runs translocation projects in the Pacific which benefit birds such as this Rimitara Lorikeet in the Cook Islands.

Photo © Phil Bender

Under the guidance of founding director Theresa Lloyd, a leading light of the independent philanthropy sector, its many early achievements include publications such as *Why Rich People Give* (2004), the first major British study into giving by the wealthy, and *A Guide to Giving* (2003, and now in its 3rd edition), the first comprehensive and independent guide to charitable giving in the UK. It established a simplified procedure for setting up a charitable trust, provision of guidance to organisations and individuals and undertook advocacy and lobbying activities, which it continues today. In 2002 Philanthropy UK launched this Newsletter, now read in over 70 countries.

Philanthropy had been set on a new path by these kinds of organisations. New avenues and concepts were being explored, such as 'venture philanthropy' which arrived in the UK in 2003 with the foundation of Impetus Trust². Impetus applies venture capital investment principles to charities and social enterprises, investing time and resources to build organisational capacity, taking a longer term view, for social return.

In 2004, a membership body was set up to support venture philanthropists: the European Venture Philanthropy Association (EVPA) had 110 members in 22 countries by the end of 2008.

² Andrews Charitable Trust, founded in 1965 as the Phyllis Trust by Cecil Jackson-Cole, was effectively the first 'venture philanthropy' in the UK. Impetus Trust is generally recognised as the UK's first contemporary VP fund.





The IntoUniversity FOCUS Programme offers disadvantaged young people challenging and stimulating experiences which aim to promote a love of learning. The charity is funded by Impetus Trust. Photo courtesy of IntoUniversity

In 2005 the government renewed its commitment to supporting charitable giving, (see *Legislating for philanthropy*) laying out its vision and priorities in **A Generous Society**, and funding new strategic partnerships to promote efficacy in giving, including Philanthropy UK, CFN, and Giving Nation.

Banking on philanthropy

2005 was a landmark year for commercial advisory services, with Mark Evans introducing philanthropy advice for private bank Coutts & Co clients. He was among the first to state the case for its importance as an integral element of wealth management. Many commercial client advisors followed suit, seeing the competitive advantage philanthropy advice could bring to a business, such as bolstering relationships and trust with clients.

Since then we have seen the advisory sector expand in all directions. Today, private bankers, wealth managers, trust and estate lawyers, accountants, trust and family office managers, family and community foundations, financial planners, and family business consultants offer a growing

range of ‘philanthropy solutions’, alongside charitable organisations and independent advisors.

In recent months Barclays Wealth, JP Morgan Private Bank, Cazenove Capital Management, Kleinwort Benson, The Standard Chartered Private Bank and Spencer-Churchill Miller Private have all confirmed expansion in the sector.

The web has been another revolutionary force, increasing the depth, breadth and reach of philanthropy advice. Online resources, tools and giving vehicles have made philanthropy more accessible – and Philanthropy UK has taken a lead in this; Giving in Europe and GlobalGiving UK are two others.

Today’s philanthropists can even give through online applications on Myspace, Facebook and Twitter.

Looking ahead

The UK non-profit sector has undergone a decade of development and the ancillary advisory market has tried to keep pace. Though the US remains years ahead of the

UK in this respect, the gap is closing and the UK 'market' is more developed and sophisticated than in continental Europe or Ireland, though there is still some way to go.

UK advisors are 'positive' about the outlook.

Most advisors interviewed believe that in the next five years more 'niche' operators will enter the fray, and the sector will further fragment and there will be a broader range of highly specialised services. Along with increased competition, this will usher in a new era of collaboration and a need for flexible, strategic partnerships between advisors, intermediaries and charities in order that donors can fulfil their unique giving needs.

Maya Prabhu, senior philanthropy adviser at private bank Coutts & Co, believes the market *"will no doubt become more sophisticated and organisations will have to do what they currently do well and respond with new services or refresh products and content to stay ahead of the competition."*

She adds: *"Lawyers and intermediaries who are already engaged in setting up giving vehicles for their clients may also offer advice, either through partners or hire their own philanthropy advisors."*

Rebecca Eastmond, vice president of JP Morgan Private Bank, predicts philanthropy advice *"will become a standard part of any wealth management solution – whether provided in-house or outsourced to a consultant. I predict that professional philanthropy advisory organisations will become more obviously linked in to banks and multi-family offices."*

The universal aim is to establish a bona fide advisory 'market' in the UK and across Europe; one where donors will perceive real value in professional advice and services – and will be happy to pay for them.

But some interconnected challenges lie ahead before this cultural transformation can happen, according to those currently working within the sector. There is a need to communicate more clearly the value philanthropy advice delivers to donors to overcome the resistance in paying for it. And to deliver that value, the sector, which currently has no entry requirement, will have to be 'professionalised'.

Lloyd, now an independent philanthropy advisor, says of the next five years: *"I sense and hope that the advisory market will have grown, become more professional and more recognised as a useful contributor to the development of informed philanthropic strategies."*

She is one of many who propose the formation of a professional body that sets standards, monitors adherence, delivers qualifications and undertakes generic marketing.

NPC held a conference last May that proposed creating an association of non-profit analysts and in a forthcoming research report explores the outlook for the advisory sector and makes some practical recommendations on how to 'build the market' (see *The business of philanthropy*).

Also in order to take the sector forward, a new generation of advisors will need to be trained.

Etienne Eichenberger, of Geneva-based advisor wise, whose pioneering work with major donors has been rewarded this year by being named Advisor of the Year by City Wealth, says, *"There is a search on for talent, knowledge and experience – particularly in middle management. This is compounded by the fact that, as advisors gain knowledge and experience, they then set up their own practices, further fragmenting the market."*

Barclays Wealth's head of client philanthropy Emma Turner says her vision is for the sector to become, *"an active, competitive and collaborative market place which is populated with established advisors working across the sector."*

Russell Prior, executive director of Enterprise and Philanthropy Development at CAF, says, *"There is a very positive outlook for the market. We expect that it will become more competitive and that is good news for donors. I also think there will be more collaboration in the sector, especially across borders, and that is welcome too."*

Ceris Gardner, a partner of Maurice Turnor Gardner, a newly established independent law firm (the recently demerged Private Client Department of Allen & Overy LLP) providing international wealth management solutions, adds: *"The signs are that the gap is slowly closing between the UK and the US and that we are shifting closer towards the US model where individual and corporates feel a growing sense of obligation to 'give back'. This will inevitably create exciting opportunities for professional philanthropy advisors to develop and grow their philanthropy practices."*

Frank Field MP
© Billy Tomlinson



Legislating for philanthropy

by Cheryl Chapman

The decision to give is largely a private matter between an individual and their conscience. But the state has been active in building a more generous society over the last decade with good reason. Here we chart those actions and reasons and consider the next steps.

In a recent blog entitled Birkenhead MP Frank Field recalls his *Allen Lane Foundation Lecture* in which he talks about the disappointment Mrs Thatcher once expressed to him that her radical tax-cutting strategy had not lead to a rebirth of a giving culture in Britain.

“Her hope was that the spread of such a culture would ricochet through British society and in so doing, change it in a most fundamental way,” says Field, who until his election in 1979 was director of the Child Poverty Action Group.

But it seems that having more money in our pockets, whether through tax cuts or greater wealth as we have today, is not necessarily a trigger for increased giving.

The government has attempted to get Britain into the giving habit over the last decade by invested in a variety of promotional strategies. We have seen new regulation, tax incentive policies, organisations, strategic partnerships, initiatives and awards to encourage private individuals to donate time and money for the public good.

Investing in giving

Labour’s 1999 *Getting Britain Giving* package of measures, the brainchild of the National Council for Voluntary Organisations (NCVO) and the Charities Aid

Foundation (CAF), created new tax incentives. These included the abolition of the £250 minimum for donations through Gift Aid, which allows charities, and higher-rate taxpayers, to claim back tax on donations, and the abolition of the £1,200-a-year limit on payroll giving. It also introduced new tax relief on gifts of shares and securities and an extension of the tax exemption for fundraising events.

In 2001, a £1m investment to fund the highly influential *Giving Campaign* until 2004 created a partnership between the government and the charity sector, focussing on four specific work streams: ‘Targeting Wealthy People’, ‘Tax-Effective Giving’, ‘Employers and Employees’ and ‘Young People’.

It worked to build media interest, develop a brand for Gift Aid and set up payroll giving training courses.

The *Giving Campaign* concluded in its final report, *A Blueprint for Giving*, that “*there is no single big idea that will dramatically change the culture of giving in the UK*”, and that “*the way forward lies with a set of targeted initiatives*”.

In 2005, the government published *A Generous Society*, the Office of the Third Sector's (OTS) strategy for

*The first appointed Ambassador for
Philanthropy Dame Stephanie Shirley*



charitable giving, setting out plans for working in partnership with the voluntary and community sector to foster a deeper culture of planned, regular and tax-efficient giving.

Further funding

With it came a new strategic funding stream worth up to £1m per year to support organisations aimed at promoting charitable giving in England and Wales:

- Philanthropy UK, an initiative of the Association of Charitable Foundations (ACF) which offers independent advice to philanthropists wanting to give more effectively.
- The Community Funding Network (CFN) Which takes an active role in expanding charitable giving at a local level. Many community foundations in England are local funders for Grassroots Grants, a £130m government programme running from 2008 to 2011.
- Giving Nation, an initiative of the Citizenship Foundation which supports the teaching of charitable giving as part of the citizenship curriculum, providing free resources and an awards initiative.
- The Beacon Fellowship, a philanthropy awards scheme, now run by CFN.
- Institute of Fundraising, a membership association, for the development of online guidance for fundraisers on tax-efficient giving.

The latest moves to kick start giving in the UK include the 2008 launch of the UK's first independent, multidisciplinary and academically based Centre for Charitable Giving and Philanthropy to support high-quality research and “develop the necessary evidence base to improve understanding of charitable giving and philanthropy”.

A partnership between The Economic and Social Research Council (ESRC), OTS in the Cabinet Office, The Carnegie UK Trust and the Scottish government, it has received a total joint investment of £2.2m over five years.

Phil Hope, then minister for the third sector, explained its raison d'être: “Giving is a major source of funding for the third sector. The Centre will provide the sector, and the government, with the robust evidence it needs to really capitalise on the many successful methods already used to encourage giving.”

More recently the government made a high-profile commitment to promoting philanthropy with the appointment of Dame Stephanie Shirley as its ‘Giving and Philanthropy Ambassador’ who will support ministers and the OTS in championing philanthropy.

The appointment followed the pledge made in *Real Help for Communities: Volunteers, Charities and Social Enterprises*, for an action plan outlining £42.5m in support for the third sector in the difficult economic climate.

In its 2009 budget the government announced new

research into the effect of charitable tax relief on donors to inform thinking on Gift Aid. The research will be published in the autumn. Meanwhile, HMRC continues to consult on the revision of the Substantial Donor rules (Finance Act 2006), working with donors, charities and advisors to ensure that this anti-avoidance legislation does not have a negative impact on charitable giving.

An opposition view

With an election just around the corner, there is growing interest in what the rival parties will bring to the table on promoting philanthropy. The Tories published a Green Paper in June 2008, called a *Stronger Society, Voluntary Action in the 21st Century*, makes 20 policy pledges towards creating a society geared to giving. The main thrust of the plan is to simplify, streamline and reform systems such as Gift Aid, with other ideas, such as establishing a new ‘social norm’ around giving, also mooted.

David Cameron presents it as ‘a sea change’ in how the government, society and the voluntary sector will work together in future: “... our aim is to change government: from being an object that gets in the way of civil society to being a force that gets behind civil society, open to, and supportive of, the energy and initiative of a free and civilised nation,” he says in the introduction.

Both parties recognise the important role philanthropy has to play in people’s lives, on a public and private scale.



David Cameron MP

It both boosts charitable funds and ‘provides the frills’, as investment fund manager and philanthropist Nicola Horlick puts it, to services that governments cannot be expected to provide; but as Peter Frumkin writes in his book *‘Strategic Giving – the art and science of philanthropy’* philanthropy also helps people find meaning and purpose in their own lives, supporting ‘the self-actualisation of donors’.

John Studzinski, senior marketing director of Private Equity Firm Blackstone, anglophile and philanthropist points out, *“Philanthropy means ‘the love of mankind’ and above all is about human dignity. If we ignore it, we ignore a crucial part of society.”*

As Frank Field MP concluded in his *Allen Lane Foundation Lecture*, *“State-driven action is a poor substitute for the nobility of a natural instinct to do good by one’s fellow creatures. But when habits have been lost, as the giving habit has to some extent, law has a role to set standards of behaviour which then themselves, hopefully, become, once again, ‘an affair of the heart’.”*

Our Dec 2009 Newsletter will focus on Politics & Philanthropy and will be asking the major political parties for their views on charitable giving and their plans to promote it.

Related links

Frank Field blog

- ▶ www.frankfield.co.uk/media/Lectures/q/date/2008/05/14/towards-a-modern-philanthropy

Office of the Third Sector

- ▶ www.cabinetoffice.gov.uk/third_sector.aspx

Giving Nation

- ▶ www.g-nation.co.uk

Centre for Charitable Giving and Philanthropy

- ▶ www.cgap.org.uk

The Carnegie UK Trust

- ▶ www.carnegieuktrust.org.uk

Real Help for Communities: Volunteers, Charities and Social Enterprises

- ▶ www.cabinetoffice.gov.uk/third_sector/real_help_for_communities.aspx

Stronger Society, Voluntary Action in the 21st Century

- ▶ www.centreforsocialjustice.org.uk/client/images/features/document-strongersociety-20081.pdf

The business of philanthropy

by Plum Lomax, New Philanthropy Capital

A forthcoming research report from New Philanthropy Capital (NPC), which offers analysis and advice to charities and funders, explores the state of the under-developed philanthropy advice marketplace, offers recommendations on the next steps and invites input from interested parties. Here Plum Lomax gives a preview of some of NPC's findings.

The UK philanthropy advice marketplace, while growing, is still under-developed. In a research report to be published in the autumn, NPC will explore the state of the market as it stands, and in particular the role the private client industry plays in its growth. The report will also provide concrete recommendations for fuelling the market's development.

The report is prompted by conversations NPC has had with private client advisors across Europe on their experiences of providing philanthropy advice to clients. While there is increasing interest and activity among private client advisors in offering philanthropy services, it is clear from these conversations that the rhetoric generally exceeds reality. Advisors and their parent institutions, on the whole, are offering very little philanthropy advice to clients, and when it is offered, the quality is somewhat questionable. NPC believes private client advisors are missing a significant opportunity.

The private client industry plays a crucial part in building the philanthropy advice market. Wealth advisors of all types – from private bankers to accountants to family offices to lawyers – are seen as 'trusted advisors' and nurture close relationships with their clients. They

are therefore a natural first port of call for a client wanting help with many aspects of their lives, including their giving. Many private client advisors already provide assistance to clients in the form of tax advice and structuring of foundations or trusts. But they could be doing so much more.

There is increasing demand from donors willing to pay for advice on how to achieve more impact through their philanthropy, but there is currently not enough supply from wealth advisors to meet these levels of demand. And this demand is still less than it could be. Both the scale and size of the market could be grown substantially – simultaneously boosting both demand and supply.

But what is holding back the demand for, and supply of, philanthropy advice? There are a number of barriers, which NPC believes are hampering the growth of the philanthropy advice market. These include, on the demand side, the economic climate and donors showing little interest in the impact of their philanthropy. On the supply side, there are a number of factors, but primarily advisors still need to establish the business benefits from offering philanthropy advice, develop their knowledge, share information about best practices and innovate with

“There is increasing demand from donors willing to pay for advice on how to achieve more impact through their philanthropy, but there is currently not enough supply from wealth advisors to meet these levels of demand.”

the products and services offered to clients. Only once these barriers are overcome will philanthropy advice start to be a mainstream offering to clients on a significant scale.

The report also draws on lessons from the development of other markets to see how the philanthropy advice market should develop.

One of these looks at the propagation of innovations. The literature on innovations suggests supply can generate its own demand, the iPod being a good example. NPC argues that philanthropy advice should also be seen as an innovation, where supply need not wait for demand.

While this, of course, carries extra risks for private client advisors, we believe it is a risk worth bearing, as a more developed market would add value to private client relationships and make good business sense.

Another insight from how other markets develop is the importance of leadership to shape the market, and the need for collaboration and cooperation to share information, encourage the spread of knowledge and build a ‘community of practice’.

Relating these lessons to the philanthropy advice market, the report provides concrete recommendations to spur development of the market to the benefit of all participants.

NPC sees itself as helping to shape the market for philanthropy advice, but on its own NPC does not have

sufficient reach, capacity or resources to alter the landscape. Instead we are encouraging others to play a bigger role, and this report is part of that process. Specifically we will be looking to bring together interested parties to start the process of implementing the recommendations included in the report.

If anyone within the private client industry is keen to participate in, or discuss, this collaboration, please contact Plum Lomax on +44 (0)207 785 6316.



Plum Lomax works with intermediaries, including private banks, lawyers and family offices. She is also responsible for developing new tools and approaches to disseminate our research widely. Plum previously worked in the City at Merrill Lynch, where she was Head of European Equity Strategy.

Melissa Berman



Letter from America

An insider view of the US market

by *Melissa A. Berman, Rockefeller
Philanthropy Advisors*

Chances are, if you ask your financial advisor for ideas about how to deal with a bothersome tooth, she will decline to offer a point of view. If you ask your dentist about how to write your will, he's likely to 'pass' on answering. But if you ask your financial advisor, your dentist, or even your car mechanic about where to donate your money, they will be delighted to reply.

Advising on charitable giving, in other words, is regarded more as common sense than as a professional activity. Want to set yourself up as a philanthropic advisor? Go right ahead. There's no certification, registration or qualification in any jurisdiction.

Sure enough, many people (although not so many in the past year) have decided to become philanthropic advisors, reasoning that it is better to give than to receive. Some of them tell us, with charming candour, that they think it will be more fun to give away money than to try to earn it, or that they are weary of the law, accountancy, public relations, investment management – or simply of working hard. Philanthropic advising, they are convinced, is easy, gratifying, and remunerative. Since they are not listening to a word I say, I tell them they will be successful. Philanthropy means 'love of humankind', but it is a struggle sometimes.

Having confessed my sins, I feel better, and am prepared to address the topic seriously. Over the past decade, many well-qualified, thoughtful and ethical individuals and entities have entered the field of philanthropic advisory services. In the US, the pioneering entity was The Philanthropic Initiative, founded by Peter Karoff and now ably led by Ellen Remmer. There are now a handful of

US-based entities (including Rockefeller Philanthropy Advisors) with national and international capacity, and I'm sure more will come. There are also dozens of top-flight regional firms and individual advisors with deep expertise in many important issue areas. The UK has several terrific firms and practitioners, as does continental Europe. Philanthropy advisory services have also emerged in the Middle East, Asia and Latin America.

What accounts for this blossoming? Trust me, it's not because the work is easy or lucrative.

But private philanthropy has entered an important new phase worldwide, marked by seriousness of purpose, an orientation to results and a global outlook. In addition, wealth holders increasingly are convinced that philanthropy is not just a retirement hobby, but one that is part of a vibrant, complete life – and that it can and should involve their whole family.

Among other profound consequences, this ethos means that more donors or potential donors don't just want to give to what they know, but to what they know to be effective. And that process involves research, analysis and exploration. Many donors choose to do this themselves – with remarkable effect. Others seek to get professional

“... private philanthropy has entered an important new phase worldwide, marked by seriousness of purpose, an orientation to results and a global outlook.”

help with this research, analysis and exploration; hence the wonderful opportunities for those of us fortunate enough to be philanthropic advisors.

We work with people who have the capacity to ask the right questions – and then act swiftly on information and insights from trusted sources.

In fact, philanthropic advising could be growing even faster if it were not for two invidious factors. The first is the wide-spread conviction that since being charitable is a natural impulse (and indeed it is), one should naturally be able to carry it out unaided. Many potential donors are embarrassed at the idea of seeking professional help: they feel it must indicate that they are not truly charitable. Often their financial, legal and other advisors reinforce this view. Lurking beneath that assumption, in all too many cases, is a general sense that the charitable sector is simple and easy compared with the business sector, and requires no expertise.

Second is the presence of those self-proclaimed philanthropic advisors (see the above rant) who have no experience or resources – they reinforce the idea that no expertise is needed to use philanthropic resources productively.

What could change those perceptions? First, philanthropic advising needs to organise itself as a genuine field of practice, with a code of ethics, standards and criteria. Ultimately, certification should be a goal. The aforementioned financial advisors, dentists, lawyers and accountants are all certified.

A good start in forming a field of practice is being made through various groups in the UK and the US, and it would be ideal if these nascent efforts could be connected if not combined. A second force for change would be more active communication by philanthropic advisors and, if this works, by financial and legal advisors, and then donors themselves, about how philanthropic advising can help donors achieve their goals efficiently and effectively. Nothing succeeds like success, and we have great successes to celebrate.

Melissa A. Berman is President & CEO of Rockefeller Philanthropy Advisors. www.rockpa.org

Adam Ognall



What's new in social investment?

A brief round-up of developments from the social investment world

By Adam Ognall, UKSIF

Big Issue Invest fund receives NESTA and Esmée Fairbairn funding

Big Issue Invest's £10m Social Enterprise Fund has received a cornerstone investment of £1m from NESTA. This follows a £750,000 commitment from Esmée Fairbairn Foundation.

► www.bigissueinvest.com

Clearlyso holds first social investment 'speed dating' event

The event provided an opportunity for 15 social entrepreneurs to pitch to socially-minded institutional investors, private investors and IFAs.

► www.clearlyso.com

Vaccine Bond raises £266m from UK investors

The International Finance Facility for Immunisation (IFFIm) offer, issued by HSBC, which closed in May, raised this amount from retail and institutional investors. The funds are used to support vaccination programmes in developing countries.

► www.iff-immunisation.org

CDEFA's Inside Out 2008 report finds continued growth in community development finance

The report identifies continued growth in the CDFI sector despite recession and changes in the funding environment. Investment and loan portfolios grew 15% to £331m in 2008.

► www.cdfa.org.uk

Government publishes draft legislation for Credit Union reform

The legalisation proposes allowing credit unions to extend membership to new groups including social enterprises and businesses and that credit unions will be able to choose to pay interest on savings instead of a dividend.

► www.hm-treasury.gov.uk

Adventure Capital Fund evaluation identifies benefits of patient capital

An independent evaluation of the impact of the Adventure Capital Fund has found that the gross income of the trust's investees grew by over 160% in six years. This compares to an average of 19% for all similar sized registered charities. The fund has also announced with Futurebuilders England the adoption of a new trading name, the Social Investment Business, to bring together all their funds and programmes.

► www.adventurecapitalfund.org.uk

Good Deals 2009 social investment conference announced

Good Deals conference is being held on 29th October. Confirmed speakers include David Blood, James Bevan, Antony Ross and Faisal Rahman.

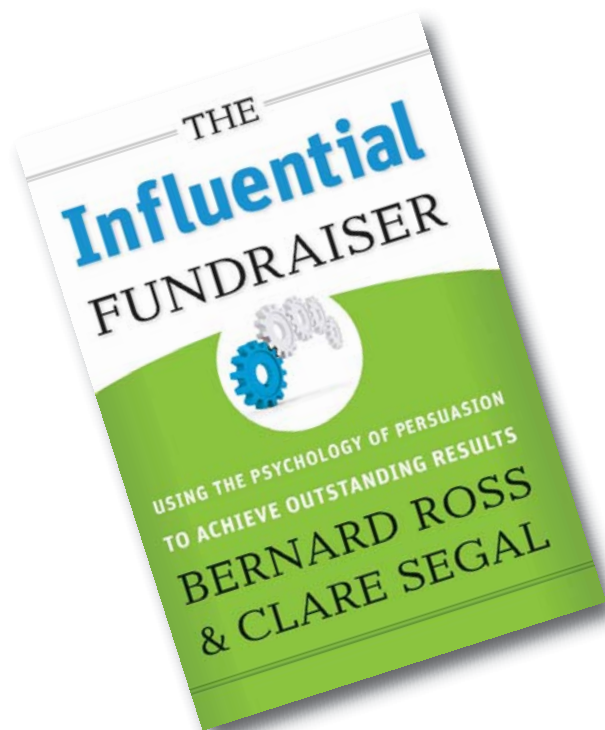
► www.good-dealsuk.com

If you require any further information on these stories or have a social investment news item please contact Adam Ognall adam.ognall@uksif.org

Publication reviews and notices

review

by Wendy Iredale, Psychology department,
University of Kent



The Influential Fundraiser: Using the psychology of persuasion to achieve outstanding results

Bernard Ross and Clare Segal

San Francisco: John Wiley & Sons, 2009. 295pp.

Hardback. ISBN 978-0-7879-9404-4.

www.josseybass.com £23.99

We are all social animals and our thinking and behaviour can be greatly influenced by those around us. This book explains how to apply the psychology of persuasion to crafting fundraising appeals. It therefore holds appeal not only to fundraisers but also to those philanthropists who wish to understand the logic behind the appeals they receive.

The authors translate existing scientific knowledge on human behaviour into practical tips for fundraisers. The content is derived from different disciplines including 'cognitive behaviour therapy', which offers insights into the way people make choices; 'social anthropology', which examines body language and its impact on rapport building; 'psychology therapy', which highlights skills and insights on empathetic matching and pacing; and other

academic research that explains how to make a lasting positive impact on others. In a sense the phrase '*psychology of persuasion*' is a little misleading because not all the tips focus on persuading people to donate. Rather, Ross and Segal encourage fundraisers to consider the donor perspective, in order to change the way they think about and behave towards them. In this sense the *Influential Fundraiser* reads a little like a self-help book because it is largely about how one's behaviour can influence others.

The authors simplify the psychological concepts in a neat system comprising five alliterative steps (or 'cogs') that lead to successful fundraising. The first of the 'five p's' is 'passion', which concerns both the fundraiser's emotional engagement with the cause and understanding the donor's motivations. The second is 'proposal' which offers advice on improving the case for support. The third, 'preparation', focuses on 'shaping outcomes' and building self-confidence. The fourth step or cog is 'persuasion', which explains techniques that can help with building rapport, speaking the language of influence and understanding the donor's point of view. The final part, 'persistence' shares advice on helping donors to say 'yes' to a request for support and offers suggestions for dealing with objections should they say 'no'.

“If you ask for the gift and they fall off the chair, you’ve asked for too much. If you ask for the gift and they don’t fall off their chair, you didn’t ask for enough”.

Ross and Segal identify nine different types of ‘no’, only one of which actually means, ‘no, go away’, leaving eight negative responses that can be turned around if the fundraiser understands the nature of the objection and how to use their influence to overcome it. For example: ‘no, you’ve asked at the wrong time’ or ‘no, you’ve asked for too much’. The latter objection is accompanied by a very neat piece of wisdom: *“If you ask for the gift and they fall off the chair, you’ve asked for too much. If you ask for the gift and they don’t fall off their chair, you didn’t ask for enough”.*

Such ‘insider advice’ from the profession of fundraising may make this book potent in donors’ hands because techniques only work if the subject is unaware of them, and many of today’s philanthropists are savvy enough to recognise the mechanics of the asking process, however much science they draw upon.

Four appendices offer advice on how to read eye cues, use richer language, personalise a case for support and use influencing techniques in group situations. This is all helpful advice that may improve fundraising success.

In terms of ease of reading, this book is clear and user-friendly, if a little simple. It would have been nice to know more about the science behind the practical advice, as was promised in the introductory chapter. Also, more

discussion about the role others can play in influencing helping behaviour would have been invaluable.

There are a number of social psychology experiments which examine the influence of others on increasing and decreasing the chances someone will help; for example the ‘bystander effect’ which states that the presence of others can decrease helping behaviour, due to ‘diffused responsibility, social loading, audience inhibition and social influence’. However, the presence of others, especially the feeling of being watched by others, can also increase helping behaviour. Recently, psychologists found that feelings of being watched can increase charity donations –to the extent that the image of a pair of eyes on charity websites can increase giving behaviour!

This book does not claim to be an academic reference book, but rather a practical guide with tips, based on psychological science. The use of real life anecdotes and scenarios make this a very engaging book to read. It also proves that academic research on human behaviour has much to offer fundraisers, and it is great to see a book try to bridge the gap between academic theory and practical everyday implementation.

However, it does raise ethical concerns, treading a fine line between manipulation and persuasion. As the

authors state: *“If you feel like you are manipulating someone, then you probably are. So stop whatever you are doing.”* The focus of this book is more about helping those asking for money to think about their own behaviour and cognition than manipulation of others. Nevertheless, if you are interested in more information or want to enter into dialogue on the ethics of persuasion I recommend that you go to the book’s website (www.influentialfundraiser.com). I suspect it would be particularly valuable for donors, such as the readers of the *Philanthropy UK Newsletter*, as well as fundraisers to join the debate this book has begun.

Influential reading: *Robert Dufton*

In each newsletter, Philanthropy UK invites an influential person from the philanthropy sector to tell us what books have most inspired and shaped their approach to philanthropy.

Our 'influential reader' in this edition is Robert Dufton, director of the Paul Hamlyn Foundation. He can be contacted at rdufton@phf.org.uk.

Robert says:

Although I was asked to name a few books which have most inspired and shaped my approach to philanthropy, as the piece is called ***Influential Reading***, I'm nominating various types of reading: an oral history project, a website, a report and finally a book.

The oral history project is about Paul Hamlyn. He gave few interviews in his life, and didn't write much. We're often asked about him because his values guide the Paul Hamlyn Foundation's work today. We decided to produce an oral history, talking to family, friends and colleagues.

He came to this country in 1932 with his family as a refugee from Germany. His beliefs were shaped by his education in a Quaker school, and he was strongly influenced by his experiences working in the mines in Wales during wartime as a Bevan boy. He was passionate about social justice, especially for young people, giving them the opportunities to overcome injustice and realise their potential and particularly to enjoy the arts and have a well-rounded education.

For me one of the most interesting aspects of his life as an entrepreneur, publisher and philanthropist is that he made his huge fortune (with which he endowed the foundation during his life and on his death) by producing



Robert Dufton

high quality, well illustrated books at prices everyone could afford and ensuring that they were distributed and marketed in innovative ways outside the then-usual book selling channels, so enabling people who couldn't normally have bought books to enjoy reading. It's unusual amongst major philanthropists to have such a strong match between how the money was earned and how it's later spent.

A website I often visit is www.theplace2be.org.uk. It's a well-known charity that works inside schools to improve the emotional wellbeing of children, their families and whole school community. It features inspiring stories about the impact of The Place2Be's work, and how they have learnt from what they do to improve their service and work effectively in partnership with schools.

Benita Refson established the charity in 1994 and has been responsible for its remarkable development and growth. It's one of the best examples in the voluntary sector of taking innovation to scale: P2Be is now working in 150 schools supporting c.50,000 children. They've inspired a broad range of donors, using every fundraising technique effectively.

The report I recommend is *'Increasing Voluntary Giving to Higher Education'* which was published in 2004 by a task force under the chairmanship of Professor Eric Thomas, Vice Chancellor of the University of Bristol, to advise government on how to increase and sustain giving to higher education. This sort of task-force and report is an old-fashioned model, but for me it stands out because of its willingness to address questions that sometimes get overlooked (e.g., the moral cases for fundraising), the clarity of the thinking and writing and the practical set of recommendations, both for achieving

"It's unusual amongst major philanthropists to have such a strong match between how the money was earned and how it's later spent."

short-term change, and to address longer-term issues like changing the culture of giving within institutions and the wider public. I was a member of the Council of the University of Bristol from 2002-2008 (and remain involved on the development of alumni relations) and I know at first hand how effective some of the approaches recommended are.

During my time working at the Heritage Lottery Fund I studied for a diploma in General Management from City University delivered by Ashridge Management College. I was amongst their first intake of students and the programme was almost entirely self-directed with a strong emphasis on learning through doing in the real world situation in the work place.

One of the most useful books was Mike Hudson *'Managing without Profit'* published by the Directory of Social Change (DSC) and now in its third edition. Over the years I've reread it and have found it full of practical wisdom. It's helped me lead two foundations more effectively and also to understand the challenges which other leaders of not-for-profit organisations face. I've been able to use these insights to give greater weight to capacity building and leadership development in grant programmes.

A companion volume to *'Managing Without Profit'* is Hudson's *'Managing at the Leading Edge'*. This was produced jointly by Compass and the Centre for Civil Society at the LSE and published by the DSC in 2003. It draws heavily on the experiences of US not-for-profits, but as seen through a UK lens, and is particularly insightful about exploiting the changing patterns of funding. The questions it asks, and some of the answers, remain thought-provoking for philanthropists. By happy coincidence, and as a useful example of collaborative philanthropy, the production of the book was supported by the Paul Hamlyn Foundation, alongside the Calouste Gulbenkian Foundation, the Kings Fund and the Zurich Community Trust.

notices

by Beth Breeze, Publications Editor

Firm Foundations: A snapshot of how trusts and foundations are responding to the economic downturn in 2009

Diana Leat

This report offers a 'snap-shot' of the impact of the current recession on UK charitable trusts and foundations. It is based on in-depth interviews conducted in April 2009 with 19 of the largest grant-makers, whose spending makes up the majority of the total contribution (in terms of grant expenditure) of the trust and foundation sector. The key finding is that, despite the current economic difficulties, these organisations are taking a 'calm, measured approach' and levels of grant-making are being sustained. It finds there is some change in the way grants are made, with closer scrutiny of grant applicants and a desire to 'spend to succeed' with implications for recipients' ability to prove their effectiveness. One section of the report likely to attract interest examines the potential 'silver lining' of the downturn. It argues that these might include 'deeper thinking and greater vigilance' on the part of trustees and staff, more collaboration between foundations, an increase in spending-out and being part of wider debates around values. The report concludes by identifying a number of issues that merit further discussion and debate, and the Charity Commission is planning a seminar to explore these in the autumn.

London: Charity Commission. August 2009, 28pp.
Free to download at
<http://www.charitycommission.gov.uk/Library/publications/pdfs/foundationtext.pdf>

Family Foundation Philanthropy 2009

Cathy Pharoah

This publication is the second report on family foundation philanthropy written by Pharoah, who is co-director of the ESRC Research Centre for Giving and Philanthropy. It updates and greatly expands the scope of the first edition that was published in 2008. The objectives of the research were to track growth and change in family foundation philanthropy through updating trends in the UK and the US; to provide a better comparative international benchmark through compiling new data on two continental European countries (Germany and Italy); to encourage greater transparency and accessibility of information on family foundation charitable spending by raising awareness of data and highlighting gaps; and to encourage charitable spending through greater access to information and examples. The report contains individual profiles of family foundations in the UK, Germany, Italy and the US, and headline findings include the fact that top family foundations in the countries under study donated a total of £5.5 bn and UK family foundation charitable spending increased by 10% in 2007, which Pharoah attributes to family foundations benefiting from wealth gained just before the global economic downturn.

London: Centre for Giving and Philanthropy and Pears Foundation. July 2009, 61pp. Free to download at www.cass.city.ac.uk/philanthropy/FamilyFoundationsPhilanthropy2009.pdf

Local Pride: Individual giving to the arts in England

Ana Gaio

This report contains the findings of a study into the motivations of individual supporters of the arts; both donors and recipient organizations were surveyed between November 2008 and March 2009. It notes that, despite common perceptions of major givers dominating this sector, 90% of arts donors are low- and mid-level donors (defined respectively as less than £100 or £1000 per annum). It also finds that most arts donors are enthusiastic consumers of arts organisations with 'the overwhelming majority' attending at least three events staged by the organisations they support each year. The double engagement of supporters as donors and core audience members is a distinctive feature of this type of donor, it says. Other findings about arts donors include their recession-resistance; 72% of respondents did not feel their ability to give would be affected by the current economic climate. The report concludes that there is great potential to expand the market of arts donors – if everyone who attends arts events three times a year gave at least £10 annually, an extra £360m of funding could be generated.

London: Arts & Business/City University. August 2009, 57pp. Free to download at <http://www.aandb.org.uk/Media%20library/Files/Research/Individual%20Giving%20FINAL%20090730.pdf>

Billions of Drops in Millions of Buckets: Why philanthropy doesn't advance social progress

Steven H. Goldberg

The sub-title of this book is clearly designed to provoke, but the plethora of endorsements from the great and the good of the philanthropy world (including from the UK's own Martin Brookes) provides reassurance that Goldberg intends to be a critical friend rather than offer an utterly damning critique. The author's thesis is that, despite record levels of giving, the "haphazard distribution" of charitable donations prevents philanthropy from achieving greater impact. The proposed solution is to "restructure the nonprofit capital market" so that funding is redirected to the best performing organisations. Brookes, chief executive of New Philanthropy Capital, endorses the book because, "*Goldberg calls for more 'performance-driven philanthropy', where nonprofits are rewarded based on their results, in place of the current dysfunction. It is an important call and a valuable contribution to discussions about how to improve nonprofits in the US and internationally.*"

Hoboken, New Jersey: John Wiley & Sons, Inc., 2009. 302pp. Hardback ISBN 978-0-470-45467-1 £26.99
www.wiley.com

Globalization, Philanthropy and Civil Society: Projecting institutional logics abroad

David C. Hammack and Steven Heydemann (Eds)

The foreword to this edited volume correctly notes that, "*Analytically constructed studies of philanthropy are in short supply*" and books that do appear tend to be either "*self-congratulatory, mostly boring insider accounts*" or "*shrill denunciations by outsiders*". Yet as Peter Frumkin has noted elsewhere, philanthropic studies is a tempting target for study, 'ripe for systematic thinking and reconceptualisation' This book aims to demonstrate the value of social scientific studies of philanthropy. It tackles its specific task of studying efforts to spread ideas and practices by means of the donation of money, goods, human action and ideas through the movement of models for the organisation of such activities as medical care, education, advocacy, social improvement and cultural expression. As the 10 chapters are written by academics, the language can be impenetrable ('hegemonic' and 'isomorphism' appear on the first two pages) but the topic is important. It is worth borrowing a copy to read at least the introductory chapter on '*Philanthropic Projections*' which provides an overview of how the institutional logics of philanthropy are spread around the globe.

Bloomington, Indianapolis: Indiana University Press, June 2009. 320pp. Hardback. ISBN 978-0-253-35303-0. \$45 <http://iupress.indiana.edu>

Giving Circles: Philanthropy, voluntary associations and democracy

Angela M. Eikenberry

This book is positioned as a riposte to Robert Putnam's famous assertion that we are now 'Bowling Alone' due to the collapse of community. Eikenberry believes that giving circles are one example of a new form of citizen participation which demonstrates that it may be the *forms* rather than the *quantities* of engagement that have changed in recent years. Giving circles involve pooling donations and making collective decisions about how to give the pooled funds away. Data on the size, scope and impact of the giving circle movement are provided. The wider scope of this book is a result of Eikenberry's belief that giving circles are more than just a new method for organising the transfer of funds from private individuals to good causes. This is an ambitious and readable account of the appropriate role for voluntary action in modern societies, and poses an important argument that as philanthropy is primarily designed to meet the needs of donors rather than recipients, there is an essential ongoing role for government in meeting basic social welfare needs.

Bloomington, Indianapolis: Indiana University Press, 2009. 172pp. Paperback. ISBN 978-0-253-22085-1. £16.99 <http://iupress.indiana.edu>

The State of Giving Research in Europe: Household donations to charitable organizations in twelve European countries

Pamala Wiepking (Ed.)

This publication is an output of a meeting held in January 2008 at VU University in Amsterdam, attended by many of the leading European academics who focus on charitable giving and philanthropy. This meeting was convened to establish a new European Research Network on Philanthropy (ERNOP), which seeks to increase the visibility and quality of philanthropic studies in Europe. Whilst every EU country has a philanthropic sector, and there is general agreement regarding the importance of understanding this area of activity, different definitions of philanthropy and different methodologies for collecting data have stymied attempts to generate pan-European findings. This publication is a first step in rationalizing knowledge about philanthropy across the continent. It contains information on household giving in 12 EU countries, written by a respected scholar working in each country. The editor, Pamala Wiepking, concludes that all 12 countries are undertaking serious studies of philanthropy but their ad hoc manner and lack of consistency makes it difficult to draw useful comparisons. However, it is hoped that ERNOP will facilitate more collaborative working and ensure that *“there is a bright future for the study of philanthropy in Europe”*.

Amsterdam: Pallas Publications, July 2009. 76pp.
Paperback. ISBN 978-90-8555-009-9. €14.50
Available from Amsterdam University Press
http://www.aup.nl/do.php?a=show_visitor_book&isbn=9789085550099&l=2



My philanthropic journey

Grassroots giving on home turf

*By Matthew Bowcock,
Community Foundation Network*

How did I get here? Too frequently, our lives are not really choices, but the result of circumstances. In my case, it was serendipity – a fortunate set of circumstances that brought me to a situation where I can now devote my working life to philanthropy. Twelve years ago, the very idea of giving would have seemed alien, as I had neither time nor money. My sole pre-occupation was survival of my business. I hope also that the journey is only partly completed. I don't try to guess where I will be in twelve years' time.

After criss-crossing the world, climbing the corporate ladder and starting a software company in Australia which lurched from crisis to crisis, I finally found myself back in the UK, without a job (the company had been acquired and I had sold my shares) and 'retired' in my early forties. Initially, my wife and I set up a family charitable foundation with rather vague ideas of 'giving something back' but no clear goals. I spent my time doing what many ex-entrepreneurs or financiers do: continue with the only trade they know, trying to turn some money into more money. After a while, I began to feel that every early stage company starts to look the same and I became increasingly sceptical about the point of the exercise which led to thoughts about the meaning of money.

I have always suspected that money doesn't really exist until you spend it, until you use it to do something. Until then, it is just ink on a bank statement. Beyond your needs, the sense of security it provides and the material things you covet, it serves little purpose. Better, then, to use it to some effect.

I faced two problems. Firstly, I did not have a passion for a cause, but I did have a concern about the sense of alienation and powerlessness that many people in Britain's fragmented communities seem to experience, linked to a



“The power of philanthropy is much greater if the donor can bring skills, as well as money, to bear, and it is also more rewarding.”

culture of dependency. This was coupled with a belief that people know the solutions to their own problems, but accessing the solution is often the problem.

Secondly, society's problems sometimes seem so large and intractable that my giving could only have a tiny effect. If I could give at a local level though, where I could see the impact, and small amounts of money could have an effect on some lives, maybe my giving could be a small drip in a glass, rather than a tiny drop in an ocean. Seen another way, I may not be able to change the world, but I may be able to change someone's world.

Many of these thoughts were crystallised during The Philanthropy Workshop, run by the Institute for Philanthropy. This was a commitment to three full weeks, spread over a year and across three continents, but it was a transforming experience because it was shared with 12 other philanthropists, all at different stages in their journey, but all with the same goal; to use their resources to somehow improve the world. Relationships were forged that I believe will be lifelong.

I also stumbled across the hidden jewel that is the community foundation movement. We set up a donor advised fund with our local community foundation (Surrey) and it was a revelation to find that our county has pockets

of serious deprivation masked behind the affluence, some of them almost on my doorstep. We came to meet some extraordinary people who are changing lives in these communities and had the opportunity to back them and see the impact. For us, this has been rewarding philanthropy.

Unfortunately, I am not a good 'grandstander'. I cannot sit on the sidelines and not get involved. I became a trustee of Community Foundation for Surrey, then of Community Foundation Network (CFN), the national organisation that leads the community foundation movement. Last year, the 57 foundations which cover almost every part of Britain managed funds for over 1,400 philanthropists and funded over 20,000 organisations, so I became intrigued by why community foundations are not better known. I offered to help to raise their profile, which, of course, led to the suggestion that I assume the role of Chairman of CFN for a three-year term. We may not achieve it in three years, but eventually I believe that community foundations will be viewed as a natural part of the infrastructure of every community in Britain and, through peer influence, philanthropy will become a natural way of life for anyone with the capacity to give, part of a 'social contract'.

This has led to an appreciation of two other aspects of philanthropy – employment of skills and leverage. The

power of philanthropy is much greater if the donor can bring skills, as well as money, to bear, and it is also more rewarding. If I can employ whatever talents and experience I may have to grow awareness of community philanthropy, then that is much more valuable than using them to grow yet another business.

Hopefully, my experiences can also influence others. If by promoting philanthropy and writing about my journey, I can lead others into considered, strategic giving, then the limited amount that I can give will have leveraged much more giving. In some way my small drip will have become a much larger bucketful, that really can make a difference.

Matthew Bowcock, a self-confessed “reconstructed” serial entrepreneur, founded, built and sold technology and genetics companies in Australia, the US and the UK.

In 2000 he established the Hazelhurst Trust, a family charitable trust and in 2005 became a trustee and vice-chairman of the Surrey Community Foundation. He is now chairman of the Community Foundation Network (CFN), which is committed to 'local giving, lasting value'.

► www.communityfoundations.org.uk

Appendix: *provider services*

Specialist advisors

Asian Foundation for Philanthropy (AFP)

Our service

Asian Foundation for Philanthropy is very much a grassroots organisation, working with a number of partners in India. We believe in inspiring social change and our approach to philanthropy advice is based on our three E's – educate, engage and enable.

USP

Asian Foundation for Philanthropy was founded by Bala Thakrar, who spent 20 years in setting up grassroots projects. Grassroots communities should be “enabled” to identify local solutions for local issues. Philanthropic activities are only a means to an end.

Fee

Based on individual request.

► www.affp.org.uk

Association of Charitable Foundations (ACF)

Our service

Alongside our work with established trusts and foundations, ACF encourages the development of philanthropy and charitable giving through its Philanthropy UK project. ACF provides a framework in which charitable funders can work together, learn from each other's experience, explore matters of common concern and achieve good practice in grantmaking.

USP

Association of Charitable Foundations is the leading membership association for UK's charitable and independent funders and the gateway to a wealth of expertise in funding charities, voluntary organisations and social enterprises. Over 300 trusts and foundations have joined ACF, ranging in size from small and local grant makers to some of the world's largest foundations.

Member benefits include: networking opportunities on a range of funding issues, representation at a policy level with key government and sector decision makers, a protected space for charitable funders to discuss the issues that concern them and the highly-acclaimed quarterly publication *Trust & Foundation News*.

Fee

Advice on charitable giving and setting up a trust or foundation is given free of charge.

Membership of ACF is open to any UK organisation :

- which is an endowed foundation or
- makes grants for charitable purposes.

Non-UK grant making organisations which have an assured source of income may become associate members. Members pay an annual subscription on a sliding scale.

► www.acf.org.uk

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Charities Aid Foundation

Our service

Charities Aid Foundation works internationally with donors to meet their aspirations and work with non-profits to develop their capacity to work with donors.

We have extensive knowledge of both donors and charities and are unique in this respect. Through our years of experience and our international network of offices we are able to develop philanthropy on a global scale. For example we were the first to work with emerging market donors in Russia and last year we ran 'Foundation Schools' to develop philanthropic giving in Brazil and Russia.

USP

We are an international non-profit organisation and registered UK charity with expertise in supporting charities and social enterprises. We do this by transforming the way donations are made and the way charitable funds are managed. We offer services that make it easy and attractive for donors to give no matter how much they have.

Fee

How we charge depends on the nature of the relationship, for example it will depend on whether it is a commercial one, or built into a broader relationship, or related to CAF's charitable mission. Some will be on a contract basis, others grants and others donor advised.

► www.cafonline.org

Specialist advisors *continued*

Community Foundation Network

Our service

Community Foundations (CFs) offer professional and personalised philanthropic advice, strategic planning and grant portfolio development for clients. They offer in-depth knowledge of local communities; networking and education opportunities as well as opportunities to visit projects and learn about community issues. CFs provide a full grant making, monitoring and evaluation service. As CFs assess around 40-60,000 charities and community groups a year they are able to make specific charity recommendations based on clients' interests. CFs offer clients an investment vehicle for endowed funds as well as immediate spend (flow-through) funds, and are able to accept a wide range of assets in a tax efficient way. They take on legal and fiscal responsibility for a client's fund.

USP

Community Foundations are leading experts in revitalising local communities through effective charitable giving. CFs act as a vital link between donors and local needs by connecting those with money to dynamic local organisations whose ability to change lives for the better is only inhibited by a lack of money. A results-orientated culture and local expertise ensures that money invested makes the lasting difference donors want and expect.

Fee

For a full philanthropy service, the fees are 10-15% of grants made from the donors' immediate spend (flow-through) fund and 1.5% of the value of the fund per annum for endowed funds.

► www.communityfoundations.org.uk

Geneva Global International

Our service

Geneva Global exists to offer the donor a tailor-made service – matching their interests with exceptional high-impact programmes that they can directly connect with and see the results of their giving. We provide a unique suite of bespoke services designed to maximize the impact of their international philanthropic giving, and bring an investment banking mindset to the world of philanthropy. We work with donors to see that their giving catalyzes positive, life-changing results. With Geneva Global, donors will know what their giving accomplishes, and will understand the durable improvements they helped bring to individuals and their communities.

USP

Our distinctives include:

- 1) Significant international infrastructure, including a network of more than 400 community leaders and development experts around the world and grant management experience in over 100 countries.
- 2) Use of sophisticated metrics and impact indicators unique to the industry to determine a project's social return on investment (SROI), giving donors the confidence of knowing exactly what difference their giving makes.
- 3) Industry-leading due diligence that applies an investment mindset to philanthropic giving and ongoing monitoring and reporting allows donors to see how their giving helped to transform lives and improve communities.

Fee

Geneva Global covers its costs in two ways. First, we charge fees for our customised consulting services on a time and cost basis, determined by the particular type of service the client requests. Secondly, for grants under management, we receive a fee in order to provide the necessary due diligence, monitoring, and evaluation services required by law for international philanthropic giving, and for the ongoing reporting services we provide. This fee varies according to the amount of work required, but is always less than 15% of grants managed.

► www.genevaglobal.com

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Institute for Philanthropy

Our service

We offer advice to wealthy individuals and families, and to financial institutions; the service that we offer depends upon the requirements and requests of the client, and so this would involve anything from seminars and one-on-one education to weekend retreats with families.

USP

The Institute for Philanthropy works with a global network of over 200 donors and families. Participants in their programmes can draw on the knowledge and experience of this alumni support network. The Institute for Philanthropy arranges regular gatherings for alumni, including visits to the developing world, for continued learning. Their advanced programme is for donors who wish to become leaders in their field.

Fee

The Philanthropy Workshop: Annual programme for up to 15 wealthy donors, consisting of three one-week modules in London, New York and the developing world.
\$18000 (approx £11,000)

Next Generation Philanthropy: Annual programme guiding the younger generation of wealthy families as they engage in their personal business or family philanthropy.
£4000

Strong Foundations: Six-day training course for staff of foundations of wealthy donors.
£4000 (discounted to £3,000 for the staff of foundations or grant making trusts that are registered charities)

Individual and Corporate Advising: Bespoke one-to-one advice for individual and corporate clients.
£1200 per day

► www.instituteforphilanthropy.org

Specialist advisors *continued*

Investing for Good

Our service

Investing for Good advises on philanthropy and impact investing to private banks, wealth managers, asset managers, family offices, trusts and foundations.

Uniquely, we design and deliver portfolios whose primary purpose is to create positive social and environmental impact. These drive the solutions that reduce poverty, foster economic development, tackle climate change and improve access to healthcare, education and housing.

At the heart of what we do is our independent rating system for assessing the positive impact of client portfolios. It is the basis upon which we screen, analyse and manage all portfolios.

We are regulated as investment advisors under the Financial Services Authority in the UK through our subsidiary, The Social Investment Market.

USP

We have a strong background in wealth management and financial product development, an absolute focus on the investor community and a unique methodology for measuring and rating philanthropic portfolios from the perspective of the investor.

Fee

We charge consultancy and portfolio management fees.

► www.investingforgood.co.uk

New Philanthropy Capital

Our service

NPC is a consultancy and think tank dedicated to enabling funders and charities to achieve a greater impact. NPC's clients range from private donors, through to trusts and foundations, professional advisors, businesses and now also charities. Some clients use our consultancy service from start-to-finish – from advice on establishing a foundation to learning more about an issue, selecting grantees, and reviewing their strategy. Others seek our support for specific projects, such as to carry out a charity 'health check' or to get advice on co-funding or giving internationally. We do not provide tax or legal advice.

USP

NPC has the UK's largest research team dedicated to the voluntary sector. We have a ground-breaking framework for analysing charities and our high-quality, independent research covers over 50 issues in the charity sector, from mental health and homelessness to charity mergers and trusteeship. Our team of consultants are uniquely placed to draw on our breadth of knowledge of the charity sector and have built up a wealth of experience over a number of years of working with funders and charities.

Fee

We charge a consultancy fee, calculated on a time and cost basis. NPC is a registered charity and is non-profit.

► www.philanthropycapital.org

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Pilotlight

Our service

Pilotlight brings together experienced professionals from the business community and harnesses their talents to drive sustainable growth and development in ambitious small to medium-sized charities and social enterprises. We match individuals with carefully assessed charities and manage them through our unique coaching model. Our aim is to build the capacity of innovative organisations and enable them to make a measurable difference. We map our individuals' philanthropic journey and offer opportunities to learn about the third sector and philanthropy at networking events and workshops. Our governance workshops include a trustee matching service.

USP

Pilotlight's distinctive mission and highly brokered coaching process differentiates the charity from more traditional pro-bono and volunteer programmes. The calibre of our Pilotlighters (business members) is exceptional and Pilotlight's highly managed process enables them to 'point their brains' at problems and make a real difference to innovative, ambitious organizations. Pilotlighters commit to just three hours a month; Pilotlight ensures their skills make a lasting contribution. Uniquely, Pilotlight evaluates the outcomes of the process, and is able to demonstrate a real and measurable benefit to society at grassroots level.

Fee

Pilotlight offers its services free of charge to charities and social enterprises.

► www.pilotlight.org.uk

Specialist advisors *continued*

Stewardship

Our service

Stewardship offers a range of tax-effective giving services for clients giving large and small sums. Free technical advice is provided to all, including some tailored at recipients and the responsible management of their funds.

Specialist philanthropic advice is offered on an informal basis, with referrals to appropriate consultants when a more bespoke service is required.

Our approach is valued by Christians who are driven by a biblical understanding of generosity. We also provide a wealth of free educational materials to clients for whom philanthropy is integral to their Christian faith.

USP

Our clients value our mission to promote a biblical understanding of giving and the responsible management of funds. We aim to partner with both givers and recipients, providing impartial advice on all aspects of charitable giving, from the technical through to the spiritual. We are the largest Christian giving agency and distributed almost £50m of funds last year. We work closely with HMRC, Charity Commission and HM Treasury to raise the standards of charitable giving in the UK, particularly from the UK Christian community.

Fee

We currently have no fixed fees for philanthropic services, but the fees for our giving services are competitive (as at Sept 2009).

Giving Account	3% of gross payment in.
'Trust' type account	3% of gross payments in (minimum balance of £10,000) or 0.5% for non Gift Aid payments in.
	£400 fee cap per payment in.

► www.stewardship.org.uk

The Trust Partnership

Our service

From registration through to administration The Trust Partnership manages the daily running of large and small grant making organisations. Providing secretariat services for trustees we administer the entire meeting process and ensure compliance with governance issues and policies. By managing the grant making process, from application to distribution of funds and review of policies, we alleviate the burden for trustees.

Specialising in community relations and CSR, The Trust Partnership provides businesses with practical advice on implementing positive community and employee engagement programmes. We administer both internal and external donations and in-kind support to assist our clients in proactively contributing to the communities in which they operate.

USP

Taking an holistic view of philanthropy The Trust Partnership is able to offer advice and practical support to both corporate entities and new or established foundations.

Our approach is flexible which enables us to offer bespoke services to each of our 30 client organizations.

We offer all of the services that new or established philanthropic individuals or organisations might need.

Fee

Due to the flexibility of our services, fees are structured on the client's requirements and the complexity of their needs.

► <http://thetrustpartnership.com/index.php?ID=149>

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Theresa Lloyd Associates

Our service

Theresa Lloyd Associates' philanthropy advisory services provides confidential and bespoke advice to individuals and families seeking to develop or review a strategy for their philanthropy which reflects their values, passions and desire for effective engagement.

Theresa Lloyd has advised a range of organisations, from new charities to major national institutions, on developing and nurturing relationships with major donors. She understands the concerns of non-profit organisations about what they see as inappropriate intervention, and how the legitimate desire for involvement and effective impact assessment on the part of donors can be met in a spirit of mutual respect and shared commitment to the vision and mission of the organisation.

USP

As a trustee of two small family trusts and with over 20 years' experience in fundraising, I understand both the donor and the beneficiary perspective. I have extensive knowledge of the market gained as a practitioner and as author of *A Guide to Giving* (2003), *Why Rich People Give* (2004) and *Cultural Giving* (2006). I am a trustee of the European Association for Philanthropy & Giving and an advisory board member of Philanthropy UK. I have an extensive professional network and believe in working with others to facilitate change.

Fee

Hourly/daily rate.

► www.theresalloyd.co.uk

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Specialist advisors continued

Thomson Philanthropy

Our service

Thomson Philanthropy works with donors to improve the effectiveness of their grant making, especially in the education sector.

Thomson Philanthropy supports individual major donors in order to help them set, and achieve, goals for their giving. At the same time striving to ensure that for donors, and their families, philanthropy is an enjoyable and rewarding experience.

Even the most sophisticated grant making foundations may require support in specific areas in order to meet their objectives. With extensive experience in fundraising and in grantmaking, Thomson Philanthropy can examine and address concerns which donor organisations may have regarding the long-term funding sustainability of their grantees.

USP

Thomson Philanthropy exists to enable major donors and grantees to achieve a greater impact. Too often the grant seeking and grant making worlds are detached from one another. With a rare blend of experience from both sides of this relationship, Doug Thomson advises major donors and those seeking to work in partnership with them. Doug works with external teams and individuals to provide a range of services for donors and charitable organisations, usually over an extended period of time.

Fee

Projects are designed and costed on a bespoke basis, using a fee-based daily rate.

► www.thomsonphilanthropy.com

Solicitors

Bates Wells & Braithwaite

Our service

Bates Wells & Braithwaite is a specialist and personally committed firm of solicitors providing a full range of services in relation to charities and social enterprises. We provide expert advice on the establishment of public benefit organisations and project vehicles and the terms of donations, funding agreements and collaborations. We are especially involved in the development of social enterprise and were founders of the idea of the Community Interest Company, which allows for community benefit equity investment. We advise in the context of relevant tax issues and the international dimension and are generally deeply engaged with the public benefit sector.

USP

We are lawyers who have actively chosen to work and enjoy working as specialists for public benefit clients. We recruit very able, committed and loyal solicitors on that basis. We have 30 specialist charity and social enterprise lawyers and the same number again providing particular legal services (employment, property, intellectual property etc) to the same clients. We have clients across the full spectrum of public benefit activity and have a particular focus on innovative projects (for example, Charity Bank, The Fairtrade Foundation and the Eden Project), service-providing social enterprise and the delivery of public services.

Fee

The charges for legal work depend very much on the particular issues. We charge by reference to statutory factors, including the most tangible – time engaged. Each solicitor has a scale of hourly rates for this purpose that are lower for public benefit and for smaller clients. We provide estimates of cost at the outset of and ongoing information during each matter. We can agree particular ways of charging to suit the client and are well used to the necessity of working within constrained budgets.

► www.bateswells.co.uk

Farrer & Co

Our service

Farrer & Co advises wealthy individuals, international families and corporate bodies on the setting up, funding and operation of charitable and philanthropic structures. Our service includes setting up giving programmes and funding arrangements, good governance, tax and investment structures.

USP

Farrer & Co has enormous experience and a long tradition of advising wealthy individuals and of operating in the philanthropic and charitable sector. We provide a holistic and integrated approach to all aspects of structured philanthropy and have a deep understanding of the wider charitable and voluntary sector which we feel is a pre-requisite in providing philanthropy services.

We have also advised on a number of cutting-edge social investments as well as philanthropic financial products and giving structures.

Fee

We discuss fee structures with clients at the outset and will generally charge at our standard hourly rates unless fixed or capped fee arrangements are put in place.

► www.farrer.co.uk

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Maurice Turnor Gardner

Our service

We have unparalleled expertise in the provision of creative technical advice on innovative cross-border charitable structures and the development of sophisticated financial products for the charitable sector. We also provide advice on traditional charity law and philanthropic matters and sophisticated tax advice.

We have a unique practice specialising in chartered corporations, and our clients in this sector include many of the best known professional institutes, universities and other institutions established by Royal Charter.

USP

Our philanthropy advisors bring expertise in commercial and cross-border matters gained when we were the private client team at leading international commercial law firm Allen & Overy LLP. Our continuing association with Allen & Overy LLP enables us to draw on expertise in corporate, regulatory and banking advice.

Fee

Our fees are very much dependent on the nature of the transaction. We adopt a flexible, case-by-case basis approach to our fee structure and sometimes agree a fixed fee for a particular matter. On other occasions, we charge hourly rates which we believe are highly competitive in the marketplace.

► www.mauriceturnorgardner.com

Solicitors continued

Withers

Our service

Withers advises both donors and those seeking to raise funds on the tax efficient structuring of charitable donations (often internationally) and the creation of appropriate vehicles to be used as family foundations (or operating charities). It provides a full range of legal services to individual and institutional clients.

USP

We have the largest private client practice of any law firm in the world and also advise many well-known charities. Our understanding of high net worth individuals and of charities gives us an awareness of donors' philanthropic aspirations and what is possible. We provide our services on a cross-border basis.

Fee

Fees are generally charged on a time cost basis.

► www.withersworldwide.com

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Wealth advisors

Barclays Wealth

Our service

Barclays Wealth Client Philanthropy Service is very personal and carried out on a one-to-one basis, with the client's banker very much part of the process.

We can help with the following as well as utilise the skills of our third party advisors:

Identifying the right structure

Guidance on the right giving structure
Advice on practical, flexible and effective giving

Achieving the desired effect

Identifying the right cause area/s
Deciding extent and profile of involvement

Involving the family

Engaging the family
Creating a inter-generational legacy

Developing their vision

Inspirational learning through events and specialised literature

Networking

Opportunities to meet other philanthropists and experts in the field.

USP

Our philanthropy service plays an integral part of our private bank by engaging, educating and supporting clients – and their families – in their personal giving journey. Our in-house advisor has 22 years' sector experience in the philanthropic field.

Fee

No fee is charged and all outsourced service fees are arranged between client and advisor.

► www.barclayswealth.com

Coutts & Co

Our service

Our advice is based on our experience of working with major donors and collaborating with specialist organisations.

We facilitate one-to-one consultations to understand clients' motivations and values, and strategy workshops to help them develop a common vision. We research causes and identify the criteria for selecting charities. We can help donors establish guiding principles, goals, and a process for reaching a decision. We help select charities, review grant applications, conduct site visits, monitor impact of donations and meet other donors through the Coutts Forums for Philanthropy.

Coutts is piloting two donor advised funds focussing on Microfinance and the Environment, where clients pool resources.

USP

We have experience of working with a wide range of clients from around the UK and overseas, with different backgrounds, supporting different causes in different ways. Key to our unique service is the depth of advice we provide and the breadth of our service. As a bank, we have a reputable track record of offering trusted advice, coupled with an innovative approach. This includes pioneering the offering of philanthropy services by a private bank in the UK in 2005.

Fee

Coutts does not charge for general one-off philanthropy advice. We only charge for bespoke advice if agreed with the client first. For private charitable trusts, fees charged depend on the size of the trust, time spent and responsibilities undertaken.

For managing charity investments, the fees levied will depend on the nature and scope of the service required, the complexity and size of the mandate.

► www.coutts.co.uk/philanthropy

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JP Morgan Private Bank

Our service

Our approach is to always be led by the client, their needs and interests. We will provide the level of service that is required – where appropriate pulling in our colleagues in the Private Bank in the US who have a substantial and long-established philanthropic services team, as well as our colleagues who manage the bank's own philanthropic endeavours.

USP

We integrate our philanthropic advice with investment management and more general wealth advice. Our dedicated philanthropy advisor in the UK has experience of practising as a charity lawyer and legal adviser to philanthropic individuals, of setting up and running a charity in the UK and acting as a trustee of a grant-making foundation and two operating charities.

Fee

This service is provided as part of our overall service to clients and so we do not charge separate fees – although our partners do charge for services and we agree these with clients.

► www.jpmorgan.com

Wealth advisors *continued*

Spencer-Churchill Miller Philanthropy

Our service

Spencer-Churchill Miller Philanthropy is a grant making charity. Grants will be made to charities and non-charities – individuals and projects – judged as deserving by the trustees. The recipients will be mostly in the UK but not exclusively as we believe charity begins at home. Approximately 40% of funds will be allocated to environmental issues causes, with the remaining 60% granted to charities/voluntary bodies, individuals and projects.

The trustees will hold the funds in trust in a separate savings account. No monies waiting to be granted will be invested in any investment vehicle.

USP

Our entrepreneurial approach means we are willing to be contrarian in every respect; the fund raising events we host, fiscal accountability, stewardship and awarding grants.

The team at SCM Philanthropy is socially and financially fortunate and is in a position to use their considerable contacts with philanthropists to leverage substantial funds. As a grant making foundation our target will not be charity household names, but a lower tier of charities, individuals and projects that undertake extraordinary works but are not adept at fund raising, business or administration. It is a natural extension to our business philosophy and values.

Fee

We do not charge fees for any of our services, all donors are treated the same and receive the same high levels of communications, evaluation updates, networking opportunities and access to charitable causes we have identified as grantees.

► www.scmprivate.com

Standard Chartered Private Bank

Our service

Standard Chartered Private Bank believes that with wealth comes responsibility. Its comprehensive philanthropy programme *Investing for a Better Future* offers clients a three-pillared programme, aimed at making giving easier and more meaningful:

Seeing is Believing – clients can co-invest with us to fund projects through the Bank's *Seeing is Believing* global campaign. They can donate directly or through a tailored deposit account which allows the credit interest to be automatically transferred. Every dollar donated is matched by Standard Chartered Bank (up to \$20m).

Advisory Services – providing bespoke strategic philanthropic advice from experts.

Education and Involvement – Clients are able to experience voluntary internships with the Bank's partner charities.

USP

'*Investing for a Better Future*' is different, because we partner with clients, through the Seeing is Believing (SiB) and Education and Involvement pillars. Having diverse options makes giving easier, for example, through the automatic transfer of credit interest to fund an SiB eye project, and more meaningful, through matching contributions to SiB. Our programme demystifies philanthropy – it should be simple, it should be about giving money or time, large or small. Our programme does just that. Together with our clients, Standard Chartered Private Bank aims to fund three SiB projects over five years. We will make a collective difference.

Fee

Our multi-faceted and tailored approach to addressing our clients' philanthropic needs means there is no set fee structure. There is no cost for some elements whereas there will be for creating a bespoke giving strategy. Philanthropy is personal.

► www.standardchartered.com

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Stonehage Philanthropy Services

Our service

Stonehage Philanthropy Services focuses on individual giving, family philanthropy and social investing.

Individual giving: core services include clarifying philanthropic vision and goals, project selection and basic due diligence in core markets, governance and administration, grant making services and investment management.

Family philanthropy: core services include facilitating the development of a Family Philanthropy Vision and establishing a Philanthropy Committee in the context of a Family Constitution.

Social investing: works with a network of preferred service providers within a holistic return framework to accommodate both financial and social objectives.

USP

SPS provides a professional framework for connected giving.

Fee

Our initial meeting is not charged. Thereafter, fees are generally time-based and set at a 20% discount to normal charge-out rates.

► www.stonehage.com

International advisors

Active Philanthropy (Germany)

Our service

Active Philanthropy aims to be a one-stop-shop for all questions donors have on their way to becoming an active and effective philanthropist and to help them develop a tailor-made strategy for giving back.

Our aim is to encourage an engaged, active approach to philanthropy throughout Europe because we are convinced that donors can create an impact not just by contributing financial resources but also with their professional experience, time and contacts.

Active Philanthropy works with multi-generational families with an entrepreneurial background and philanthropic tradition. Services especially tailored to the next generation help to pass on family values and traditions and to involve the next generation in philanthropy very early, thus fostering inter-generational exchange and understanding within a family.

USP

We have a clear focus on families and individuals from entrepreneurial/business owning families. We are independent from any bank, asset management company or similar organisation. Building on interactive, innovative learning experiences, our approach focuses on learning from peers, in the field, and on showing that giving can be fun and personally enriching.

Fee

Written materials/resources are free of charge or at a low symbolic charge. For workshops and expeditions participants pay direct costs or according to the model 'pay whatever you think it has been worth to you'.

Individual advice is charged on a per-project basis.

► www.activephilanthropy.org

King Baudouin Foundation (Belgium)

Our service

The King Baudouin Foundation gives advice to donors and intermediaries on the most efficient way to use a donor's assets to achieve a social purpose.

As philanthropy is a very special discipline, the Centre takes the time to listen to donors, to study their ideas in terms of philanthropy and to provide professional advice. Over the last 30 years, we have built up a huge fund of experience in philanthropy as well as in civil initiatives. The vast international network of the King Baudouin Foundation also represents an enormous asset for our Philanthropy Centre.

In 2007 the British magazine *Euromoney* awarded the prize to the King Baudouin Foundation for the 'best philanthropy consultant in Belgium and Western Europe'.

USP

We have a unique reputation and an excellent track record of helping donors achieve their philanthropic goals. This experience engenders trust in new donors; KBF's advisory service grew out of a demand by donors impressed by our foundation work. We take a donor-centric approach.

Fee

For initiatives managed by the KBF, we cover costs.

For example, we charge a management fee of 0.8% of the capital of a fund (so a fund of 100,000 euros would cost 800 euros in management fees). For donor supported funds (without capital) we charge 5% of the amount of grants.

We charge a flat fee to cover costs for services such as organising a call for projects, conducting research or fundraising.

We do not charge for connecting clients with other organisations.

► www.kbs-frb.be

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Philanthropy Ireland (Ireland)

Our service

We offer very general guidance for current and prospective philanthropists, including the types of giving options that are available to them and where they can find information about which organisations to support.

USP

Our unique selling point is a 26-strong membership of organisations with different areas of expertise and approaches to philanthropy. Our members have helped us secure leading advocates to brief our members on key policy issues and to identify and distribute relevant research and guidance, meaning that smaller philanthropies are able to access leading minds in their programme areas and in philanthropy more generally.

Fee

We occasionally charge fees for training events, but these are set so as to cover the cost of the event, not a profit-making venture for our organisation.

► <http://philanthropy.ie>

International advisors continued

Rockefeller Philanthropy Advisors (US)

Our service

With a staff of 40 in three offices (four as of October 2009), Rockefeller Philanthropy Advisors provides both project and ongoing support to donors.

Rockefeller Philanthropy Advisors' work is based on three factors: our mission-driven approach; our analytical capacity; and our experience with a broad range of philanthropic programmes. The mission of Rockefeller Philanthropy Advisors is to help donors create thoughtful, effective philanthropy throughout the world. Our size and depth gives us significant capacity both in planning and implementation as we draw on the complete range of resources as well as the expertise of the project team.

USP

We represent the cumulative wisdom and knowledge of more than 100 years of philanthropy. Our senior staff have deep knowledge and experience in all major areas of giving. We have a global reach, serving donors in North America, Europe and Asia. In 2008, we advised on or facilitated \$170m in giving to 30 countries.

Fee

Since all our work is highly-customized, our fee structure is also highly variable. Depending on the engagement, we may charge based on a per-diem rate, a flat fee, a retainer or as a percentage of the grants we are managing.

► <http://rockpa.org>

Tactical Philanthropy Advisors (US)

Our service

Tactical Philanthropy Advisors is a full-service advisory firm. We serve high net worth donors with between \$1m and \$50m or more in philanthropic assets. Our services include setup, administration, and ongoing advice for private foundations and donor advised funds. We also provide services for wealth managers, estate planners, CPAs and family offices to help them better serve their clients' philanthropic needs.

We have created working arrangements with Fidelity Charitable Gift Fund®, Schwab Charitable, Calvert Giving Fund and Foundation Source to provide robust, institutional quality back office, administrative services to our clients.

USP

At Tactical Philanthropy Advisors, our services are delivered by an experienced advisor who is focused on building a relationship with each client. Our fees are based on a percentage of philanthropic assets under advisement, which means that rather than simply delivering discreet answers to your questions, we are incentivized to deliver a complete, personalized, high-touch advisory experience. Our minimum account size of \$1m means that we work exclusively with high net worth clients. We provide a level of service unmatched by organisations with much lower minimums.

Fee

We have a single fee structure based on assets under advisement. All clients have access to all of our services under this agreement.

► www.tacticalphilanthropy.com

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The Philanthropic Initiative (US)

Our service

The Philanthropic Initiative is a non-profit working across the globe to advance the field of strategic philanthropy and advise the most ambitious family, foundation and corporate donors in their quest for deep impact on the pressing issues of our times.

Twenty years since our founding, we continue to conduct vital research, convene diverse voices, and train others in effective giving's best practices. Our advising work runs the spectrum from strategy and governance to programme design, implementation and evaluation – and includes every aspect of training and education that you would expect from one of the most established names in strategic philanthropy.

USP

The Philanthropic Initiative, Inc. works with ambitious donors who, regardless of their experience or skill level, strive for deep and sustained impact on the critical issues facing society. With two decades at the forefront of the field, TPI has the creative thinking, the network of experts, and the track record of success to ensure change will be realised.

Fee

TPI is social business which relies on its philanthropy advising revenue to fulfill its mission. We charge for time completed at standard and discounted daily rates that range from \$1,600 to \$2,400 depending on team member and assignment.

► www.tpi.org

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International advisors continued**VALUEworks (Switzerland)*****Our service***

VALUEworks is a fully independent family office, located in Zurich, the financial heart of Switzerland.

Our goal is to provide a personal, premium quality service to international families, individuals and charities and to build lasting relationships with them as their trusted advisor.

Our professional team knows its customers, their needs, wishes, ideas and beliefs and offers a high level of technical knowledge to create state-of-the-art solutions for them.

We can offer structural support, international and Swiss legal and tax advice, fiduciary and book-keeping services and can supervise wealth management and banking matters.

We have built a global network of selected experts and advisors to implement the best possible solutions for clients.

USP

We offer philanthropy advice as an integral part of our personalised estate planning services for wealthy international families. We accompany and coach our clients in their philanthropy interests and develop their individual giving strategy which reflects their personal values. We advise on charity structures, establish and manage charitable trusts, foundations or endowment funds. Amongst other services we undertake specific research into charities to assist clients in their choice over which ones to support and monitor these charities accordingly.

Fee

No advice fees, and reduced fees for further general administrative and charity services. Fees are charged for special projects such as structuring or founding a charity.

► www.valueworks.ch

wise (Switzerland)***Our service***

We support donors and their families in fulfilling their philanthropic aspirations through three core elements:

- A tailor-made approach: We offer personalised, confidential and tailored services. wise's experience in social action enables us to guide and assist donors throughout their engagement. Seeking to strategically create change, we want our donors to have a meaningful and enjoyable giving experience.
- Added value for partner organisations: We provide planning and management tools alongside professional insight to increase impact. wise takes a non-bureaucratic and highly focused approach.
- Independence: central to wise's identity, is our intention to stay independent from banks, while regularly working with them. We personally visit and evaluate organisations we recommend.

USP

We are an independent philanthropy advice firm with a self-generating business model; we do not rely on grant funding and no more than 20% of business revenue comes from any one client. We have numerous families and individual donors involved in 23 ventures and have impacted the lives of 1.2 bn people by the end of 2008. We have good networks and are open about the services we offer, and those we can offer in partnership with other organisations.

Fee

We are fee-based and charge by the hour or set packages and not directly in relation to the amount of the donations.

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| <p>05/06/09 Family businesses 'leading the way' in philanthropy
Charitable giving from UK family businesses may prove more resilient than other companies, despite the recession, a new report from the Institute of Family Business (IFB) and Community Foundation Network (CFN) says. The report identifies six features of family businesses that shape and encourage their socially responsible activities.</p> | <p>02/07/09 Golf star Ballesteros launches cancer foundation
Seve Ballesteros, the Spanish golfer who underwent brain tumour surgery less than a year ago, has launched a cancer foundation, with the aim of <i>'doing his bit to battle this disease'</i>. The Seve Ballesteros Foundation aims to contribute to cancer research, particularly the treatment of brain tumours. It will also help young golfers with financial problems.</p> | <p>14/08/09 Social banks buck the recessionary trend with huge surge in lending
While the Chancellor urges high street banks to increase lending to small businesses, social banks in the UK are <i>"very much open for business"</i> with double figure percentage hikes in lending, fuelled by an increase in deposits since January.</p> |
| <p>11/06/09 Giving USA reports sharpest drop in charitable giving in 53 years
US charitable giving fell by an estimated 5.7% in 2008, adjusted for inflation, according to the Giving USA Foundation. This is the largest drop recorded since the group began tracking America's charitable donations in 1954. But donations topped <i>"a remarkable"</i> \$300 bn for the second year in a row, the annual report Giving USA showed.</p> | <p>22/07/09 Visa Europe partners with Philanthropy UK for exclusive European Guide to Giving
Visa Europe has partnered with Philanthropy UK to produce the Visa Europe European Guide to Giving, which provides inspirational, practical, and objective guidance to help high-net-worth individuals get started in philanthropy. The Guide has been launched as an exclusive benefit for Visa Infinite cardholders in Europe, the highest-level consumer credit product that Visa offers.</p> | <p>18/08/09 NPC takes over work of Intelligent Giving
Charity and donor advisors New Philanthropy Capital (NPC) will take over the work of Intelligent Giving, the charity evaluation and donor advice website, whose future was at risk because of severe funding difficulties. NPC will maintain Intelligent Giving as a distinct brand.</p> |
| <p>24/06/09 Soros gives \$100m for recession-hit Eastern Europe
Famed philanthropist George Soros, chairman of Soros Fund Management, will donate \$100m (£60m) through his Open Societies Institute to help communities and young people in Eastern Europe and the former Soviet Union that have been hit by the global economic downturn.</p> | <p>23/07/09 Challenges to charitable legacies are on the rise
Challenges to charitable legacies are on the rise, legal experts have told Philanthropy UK. Financial concerns due to the recession and social changes have prompted more families to dispute wills. And more people are choosing to include a legacy to charity in their will, which in turn means that a higher percentage of probate disputes affect charities.</p> | <p>20/08/09 Gates foundation announces head of new European Office
One of the world's largest independent grant-makers, the Bill & Melinda Gates Foundation, is opening a new European office in London to expand its partnerships with European NGOs, foundations and governments. Joe Cerrell, current director of global health policy and advocacy, will head the office from 1st January 2010.</p> |