

# philanthropy|uk:quarterly *inspiring giving*



**Can marketing activate  
philanthropy...**

*...or is it a badge too far?*

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

## **Promoting philanthropy**

*Your role in growing giving*

## **My philanthropic journey**

*A philanthropist in the making*

## **Letter from America**

*US Giving Pledge poses \$600bn question*

## **Influential reader**

*Dr Astrid Bonfield shares her inspirational books*

## **Impact investing**

*A news round-up from the world of social investment*

# welcome



You may have noticed a small but important change to our 'newsletter' – it has a new name and going forward will be known as the *Philanthropy UK Quarterly*. The new title reflects the development the publication has undergone since its launch in 2001. While adhering to the original principles set out by **Philanthropy UK** founder Theresa Lloyd, who continues to be a driving force, the publication has grown in stature to offer in-depth features on issues that affect the sector, along with a wealth of thoughtful articles from contributors. It has almost doubled subscribers in the last year and is now read in more than 70 countries. We hope the 'Quarterly' title will also help differentiate this publication from our fortnightly News Bulletin, which covers current affairs in UK philanthropy.

Much of the credit for the development of Philanthropy UK, a project of the Association of Charitable Foundations, is due to our editorial board and particularly its chairman, independent consultant David Carrington, who was instrumental in bringing together a consortium of organisations to develop and foster a network for those interested in exploring and promoting new ideas about philanthropy in 2004. David is standing down after six years at the helm of the editorial board to pursue an interesting semi-retirement plan. David's endless generosity, deep knowledge, broad experience and vision have been the lynchpins around which

Philanthropy UK has thrived. We wish David well and offer a public 'thank-you' for all he has given to Philanthropy UK.

In this edition, we take an in-depth look at 'promoting philanthropy', timely considering the recent launch of 'The Giving Pledge' in the US by philanthropy leaders Bill Gates and Warren Buffett, in which they ask fellow billionaires to pledge to give away 50% of their wealth. They lead by example and aim to use their influence to activate and empower philanthropists. Melissa Berman, president of Rockefeller Philanthropy Advisors, offers thoughts on the implications of the pledge in building a powerful peer-to-peer philanthropy network in her *Letter from America*.

We also feature the campaign in a series of articles that explore the role marketing and donors might play in promoting and activating philanthropy with views from practitioners and experts. As a diversion and a discussion point we include an idea for a campaign to promote philanthropy and activate philanthropists using social marketing strategies.

Writing in the *EuroView* column Dr Marta Rey, non-profit management and marketing specialist based at University of A Coruña, Spain, focuses on how relationship marketing can help map 'the archipelago' of foundations to better understand the ecosystem of which they are a part.

Dr Beth Breeze reviews Nicola Elkins book *How to maximise your strategic giving*, along with notices of recent philanthropy focussed publications, while Dr Astrid Bonfield, of The Diana, Princess of Wales Memorial Fund shares the reading that has influenced her thinking.

And in *My Philanthropic Journey* entrepreneur and 'apprentice' philanthropist Brian Fenwick-Smith reflects on his giving journey inspired by a passion for education.

We hope you enjoy this edition of the *Philanthropy UK Quarterly* and welcome feedback on the issues covered.

Best wishes,

**Cheryl Chapman**  
Managing Editor

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The purpose of the Newsletter is to disseminate information about new developments in philanthropy. To submit an article for consideration, please contact the Editor at [editor@philanthropyuk.org](mailto:editor@philanthropyuk.org).

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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](http://www.philanthropyuk.org)

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# Promoting philanthropy

by Cheryl Chapman

In this edition of the *Philanthropy UK Quarterly* we explore what can be done to promote philanthropy and the role marketing can play within that.

We begin by asking ‘could the wealthy give more?’ and present the barriers and motivations for giving.

We outline the work already undertaken by government to support more philanthropy and what the new coalition government might do. Donors and advisors have a key role to play in the promotion of philanthropy; we explore how they can be enabled to fulfil that potential.

Philanthropy is undergoing a transformation driven by business-minded philanthropists and we look at how innovation and the repackaging of philanthropy is engaging new donors. We then turn our attention to the role marketing might play in promoting philanthropy and changing giving behaviour. Before marketers can address an issue they need to know who they are talking to. But what is a ‘philanthropist’? Technology is disrupting marketing and in this issue we present some fascinating and controversial high tech tools being created to encourage and support philanthropy and client advisors. We also show how marketing is being employed to change giving behaviour with a case study around normalising legacy giving.

## Articles

1. *Could the wealthy give more?*
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*Philanthropy leaders Warren Buffett and Bill and Melinda Gates launch 'The Giving Pledge', that calls on fellow philanthropists to make a commitment to give away 50% of their wealth.*



## Could the wealthy give more?

Theresa Lloyd, independent philanthropy advisor and author of *Why Rich People Give*, is one of a passionate few bold enough to pose the 'disruptive' question 'Could the wealthy give more?'

*"As we consider the impact of the financial situation and the move to the 'Big Society', it is appropriate to ask whether the rich should and could be encouraged to give more in proportion to their wealth – at least in due course to the level of 3% of annual income given by the poorer members of UK society," says Lloyd.*

In the US Microsoft founder Bill Gates and investor Warren Buffett have tackled the issue head on, asking billionaires to pledge to give away 50% of their fortunes in an effort to draw attention to the responsibilities the wealthiest have for aiding the needy. (See US Giving Pledge poses \$600bn question).

'The Giving Pledge', as the drive is called, has a minimum goal of about \$600bn (£407 bn) in commitments, based on the calculation of half of the \$1.2 trillion (£0.8 trillion) in net worth of the 400 richest individuals compiled by *Forbes* magazine.

Charities Aid Foundation (CAF) estimates a £60bn figure for the UK if all its billionaires took up the pledge, based on *The Sunday Times Rich List* figures.

But the real potential of the pledge is that it might encourage everybody to give more, says Sean Stannard-Stockton in his Tactical Philanthropy blog ([www.tacticalphilanthropy.com/blog](http://www.tacticalphilanthropy.com/blog)).

*"The Giving Pledge might result in a 10% increase in charitable giving, but it is important because of its potential to trigger a 100% increase in charitable giving," he says.*

While the pledge suggests that the world's most influential philanthropists feel their peers could do more, most of the wealthy do already give. Charitable activity is near universal among the wealthy, with 97% giving in some form, according to recent research<sup>1</sup>, based on a survey of 500 UK and US high net worth individuals (HNWI), including 150 with investable assets of over £3m.

However, despite widespread involvement, only a third will donate more than £10,000 a year – less than 1% of their net worth, says the research.

*"It is a disappointment and a challenge to those of us who wish to encourage a stronger culture of philanthropy to see that in spite of the sometimes very significant levels of wealth only one-third are donating more than £10,000 a year," says Lloyd in response to the findings.*

<sup>1</sup>Barriers to giving, Barclays Wealth and Ledbury Research, March 2010

*“It is a disappointment and a challenge to those of us who wish to encourage a stronger culture of philanthropy to see that in spite of the sometimes very significant levels of wealth only one-third are donating more than £10,000 a year.”*

Canadian entrepreneur and philanthropist Aditya Jha also comments in the Barclays Wealth survey on the need for the wealthy to give more. *“The world needs more support and governments will not be in a position to provide it. Private individuals have more wealth than before but they are not doing enough to give it back.”*

Of course, the recession is a major factor and has hit giving at all levels of wealth.

CAF’s latest annual survey of giving, *UK Giving 2009*<sup>2</sup>, found an 11% drop in the value of all donations and the *Coutts Million Pound Donors* research<sup>3</sup> records a 13% drop in the value of gifts worth £1m plus.

But the effect of the recession on giving is not straightforward. Research reveals the performance of the economy is both a barrier and a driver to giving among HNWIs.

The Barclays Wealth study for example shows that although 23% of the wealthy decreased their donations in 2009, with many giving time instead of money (20%), 49% said they were planning to give the same amount as last year and 36% were planning to increase donations. The research found evidence that the economic downturn had galvanised many; 35% of the wealthy are *“more passionate in supporting charitable causes in an economic downturn, when they are struggling for funds,”* it says.

A recent report<sup>4</sup> from *The Economist* substantiates this - most very wealthy individuals intend to maintain or increase their level of donations, it says. In some cases this is because they have set up foundations, the output of which is not dependent on economic cycles.

The 2009 *Sunday Times Giving List* reveals the top 30 UK donors collectively pledged more in 2009 than in 2007, £2.6bn compared with £1.2bn. This year’s list showed an 11.5% drop in giving – aligning with the CAF’s figures for all givers – but it is set against a 37% drop in wealth of the top 1000 Rich Listers – *“this provides important context”* says Giving List editor Alastair McCall. *“The conversations I am having with wealthy donors indicate they are committed to continue giving particularly in the recession and feel a social responsibility to help now need is greatest.”*

The newly published *World Wealth Report 2010* from Merrill Lynch-Capgemini ([www.us.capgemini.com](http://www.us.capgemini.com)), based on surveys with more than 1,100 wealthy investors, reveals philanthropy by the world’s rich recovered in 2009 in all regions but North America after undergoing a sharp drop the previous year due to the global financial crisis.

A further indication that levels of giving remain resilient and may even be rallying is CAF’s reported 250% rise in the value of donations to Charitable Trust Accounts compared to last year.

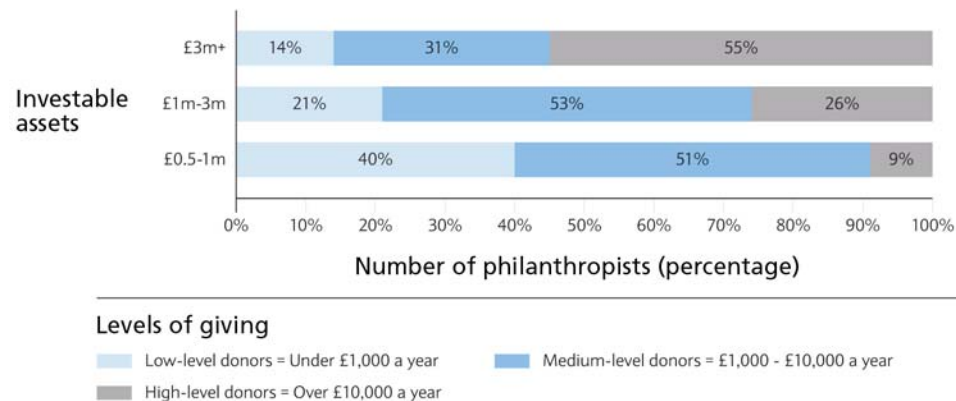
In the first quarter of 2010 CAF, one of the UK’s biggest providers of charitable trusts, opened 51 new Charitable Trust Accounts with a total of £70m in donations, compared to £20m for the same period last year. The charity is now opening as many accounts each month as it was in early 2008 before the recession began.

And as we regularly report in our Philanthropy UK News Bulletins, numerous philanthropists continue to give millions of pounds to good causes, such as Kwik Save

<sup>2</sup> *UK Giving 2009*, Charities Aid Foundation

<sup>3</sup> *The Coutts Million Pound Donors Report 2009*, Dr Beth Breeze in association with the Centre for Philanthropy, Humanitarianism and Social Justice at the University of Kent.

<sup>4</sup> *The new world of wealth: Seven key trends for investing, spending and giving among the very rich, a report from the Economist Intelligence Unit*, [http://graphics.eiu.com/upload/eb/The\\_New\\_World\\_of\\_Wealth\\_WEB.pdf](http://graphics.eiu.com/upload/eb/The_New_World_of_Wealth_WEB.pdf)



**Chart 1:**  
**Donor levels compared with wealth levels**

40% of those with investable assets between £500,000 – £1m will give less than £1,000. It is only when individuals have more than £3m to their name that they are likely to become major cash donors - giving over £10,000 a year; according to research from Ledbury Centre for Barclays Wealth.

Chart courtesy of Barclays Wealth

supermarket founder Albert Gubay, who this year bequeathed £800m in a 'deal with God'.

But that said, the wealthy give a much smaller proportion of their income than lower income donors and levels of individual giving as a proportion (%) of Gross Domestic Product (GDP) are tiny with the UK comparing poorly with other nations.

In its 2006 International comparisons of charitable giving<sup>5</sup>, CAF reviewed and compared the results of surveys of individual giving in a number of countries whose wealth covers over half of the total global economy.

The results show the amount individuals give to charity varies from 0.14% of GDP in France to 1.7% in the US, while the UK records the second highest percentage at 0.73%, not including legacies and trusts or any tax-recovery.

It concludes that the UK could set itself a higher target for giving.

Philanthropists too have said the wealthy could do more and suggest the recession may be a smokescreen for giving less. Rohini Nilekani, one of the most prominent philanthropists in India, has been reported as saying there is no justification for a decrease in donations, despite the financial crisis. "Given that most philanthropists in India are giving away only a tiny fraction of their wealth, I see no reason for a slowdown in philanthropy," she says.

Despite their own pledges to maintain donation levels, many of the very wealthy questioned for the Barclays Wealth report<sup>6</sup> believe that much more needs to be done to encourage private philanthropy, especially since governments around the world may be unable or unwilling to play such a large role in the future. "As a society, we need to think about what we need to do to motivate private individuals to give more," says Jha. "I think this problem has been there before the crisis and now the need is much greater for people to give."

Gates and Buffett are clearly in agreement and have put their considerable weight behind the push to encourage wealthy Americans to give more with their 'Giving Pledge' idea. Might it encourage more of the ultra wealthy to give?

At the very least it focuses the spotlight on the question 'could the wealthy give more?' and further, 'what can be done to help them?'

In the following articles we look at the barriers to and motivations for giving and the roles government, donors, marketers and media can play in promoting more giving, while offering examples of where this is already happening.

<sup>5</sup>International comparisons of charitable giving, November 2006, CAF, Sally Clegg and Cathy Pharoah <http://www.cafonline.org/pdf/International%20%20Giving%20highlights.pdf>

<sup>6</sup>Tomorrow's Philanthropist, Barclays Wealth and Ledbury Research, July 2009

## Why the wealthy give and why they don't

Why do wealthy people give and what is it that stops them? Much research has been done to discover the motivations and barriers to giving, and it reveals these decisions are not entirely rational.

Barclays Wealth recently explored the barriers and motivations to giving in a white paper, based on the Tomorrow's Philanthropist survey as discussed in the opening article.

Emma Turner, head of client philanthropy at Barclays Wealth, commenting on the research, says, *"High net worth individuals today are a very diverse community of people, having accrued their wealth through a huge variety of different sources, from technology to inheritance. However, the findings of this report show that despite these differences they are predominantly motivated by values which are deeply rooted and traditional in nature, like family and religion. As charities seek to understand how they can work more closely with this complex group, it is crucial that they understand what is stopping them from giving, as much as they focus on what is motivating them to give."*

The report lists 20 motivators for giving (see Chart 2) with 'being able to afford to give' at the top.

The level of giving is directly related to religious beliefs, familial duty and a sense of social responsibility research

shows. The Barclays Wealth findings precisely echo those of Why Rich People Give (WRPG) by independent philanthropy advisor Theresa Lloyd, which showed that religion, family tradition and values and a sense of community are the key drivers.

Lloyd says<sup>7</sup>, *"Once people have engaged on the philanthropic journey, then other factors kick in. In particular the sense of personal fulfilment that reinforces the practice of giving becomes a primary incentive for recurring commitment and involvement. This personal fulfilment may come from knowing one has made a real difference (because one can see the impact of the philanthropic investment), learning about other areas of activity (whether in social welfare, the arts, health services, higher education) and meeting like-minded and sometimes inspirational people – whether the professional staff and volunteers who deliver the mission of the organisation receiving the money, other donors or, in some cases, the beneficiaries."*

The Barclays Wealth research shows two key barriers to giving are feelings of financial insecurity and a lack of duty to society, family or religious beliefs.

<sup>7</sup>Could the rich give more?, Theresa Lloyd, <http://www.theresalloyd.co.uk>



**Chart 2: Most popular motivations for giving**

The starting point in uncovering some of the inhibitors towards philanthropy is to understand the main reasons the wealthy donate.

This chart from Barclays Wealth 'Barriers to Giving' research shows the most popular motivators cited by the wealthy.

Chart courtesy of Barclays Wealth

Reason for giving	%
I can afford to	50%
To give back to the community	46%
Personal fulfilment	45%
Social beliefs	42%
Support the same causes annually	42%
Moved at how a gift can make a difference	40%
To address issues affecting me personally	38%
I believe wealthy people have a responsibility to share their wealth	37%
Political/philosophical beliefs	32%
Religious beliefs	25%
Tax incentives	24%
To set example for young people	23%
Being asked	21%
Desire to establish a worthy activity in which the family can participate	18%
Further legacy of parents	11%
Business interests	8%
Concern over the impact of inherited wealth might have on family members	7%
It is expected amongst my peers	6%
To offset guilt of being wealthy	5%
Public recognition	4%

Lloyd says, "The question of 'how much people feel they can 'afford'?' is crucial. My own research also touched on this issue. In WRPG we saw that feelings of financial security were unrelated to levels of wealth. Indeed most interviewees recognised that their attitudes to money and financial security were tied up with emotion, family history and personal insecurities, and not related to a rational analysis of their current and future needs. This is echoed in US research. And as the Ledbury Research paper points out, feeling that 'I can afford to give' was the most frequently cited reason for giving (mentioned by 50% of HNWI interviewees). This was closely followed by motivators related to giving back to society, personal fulfilment and social beliefs."

Financial security among the wealthy has been shaken by considerable declines in wealth. *The Economist's New World of Wealth*<sup>8</sup> report says that by one estimate, the global population of ultra high net worth individuals fell by nearly a quarter from 2008 to 2009 and their wealth shrank by 24%. "Most of the very wealthy are feeling completely at sea right now," says an American ultra high net worth individual interviewed for the report.

Martin Brookes, of non-profit think tank New Philanthropy Capital, quoted in the Barclays Wealth report, says, "Many feel it can be a bit premature to give

<sup>8</sup>The New World of Wealth, Seven key trends for investing, giving and spending among the very rich, The Economist Intelligence Unit. [http://graphics.eiu.com/upoad/eb/The\\_New\\_World\\_of\\_Wealth\\_WEB.pdf](http://graphics.eiu.com/upoad/eb/The_New_World_of_Wealth_WEB.pdf)

*“Indeed most interviewees recognised that their attitudes to money and financial security were tied up with emotion, family history and personal insecurities, and not related to a rational analysis of their current and future needs.”*

*away large amounts of money if they don't know exactly how much money they need or they've actually got.”*

The recession has engendered new feelings of financial insecurity and is focusing donors' sights on the measurables of giving. Impact reporting has moved even further up the agenda.

*“The very wealthy want to understand more than ever where their money is going,”* says Jason Sumner, senior editor at The Economist Intelligence Unit. The downturn has made them more sceptical, ask more questions and in some cases take a more direct, hands-on role he says.

Hand in hand with insecurity is a distrust of charitable organisations. The majority of the wealthy (53%) believe that charities are inefficient in managing donations, according to *The Economist* report.

Efficiency too is a factor in giving, particularly in choosing who to give to. The Barclays Wealth report shows that once the wealthy have decided on a general cause, efficiency and the amount spent on administration are ranked as two of the most important factors when selecting an individual charity (89% and 88% respectively).

However, a just released report from San Francisco based Hope Consulting<sup>9</sup> reveals a surprising insight for report

writers— while the wealthy may care deeply about supporting effective charities over mediocre ones, they don't necessarily have the appetite for research that could help them sort the good from the bad, says *The Chronicle of Philanthropy* reporting on the survey.

Based on a poll of 4,000 people and on interviews with donors with incomes over \$80,000, to determine how to encourage charitable giving and channel more money to effective non-profit groups, they found that few people investigate the performance of non-profit organisations. While 85% said that a charity's performance is very important, only 35% conducted research on giving and just 2% gave based on a group's relative performance.

*“There's not a lot of demand for a very complicated scoring system,”* said Greg Ulrich, one of the study's researchers. *“We need to meet people where they are.”*

Fundraisers and organisations that provide donors with information on charities ought to provide relatively simple information in the areas people care about, including how their gift will be spent, says Ulrich.

While clearer, more simple communication could help attract and engage donors, more of the same communication will not. Most donors surveyed in *The Economist* report said that they were satisfied with their charitable giving, with one exception being how frequently they were asked for money.

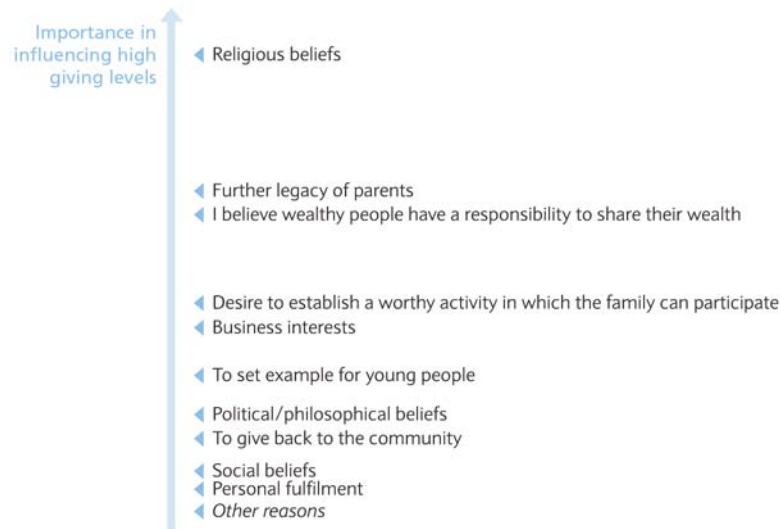
Lloyd believes recipient organisation have much to improve in the way they manage their relationships with significant prospects and major donors.

<sup>9</sup>Money for Good, *The US Market for Impact Investments and Charitable Gifts from Individuals Donors and Investors*. [http://www.hopeconsulting.us/pdf/Money%20for%20Good\\_Final.pdf](http://www.hopeconsulting.us/pdf/Money%20for%20Good_Final.pdf)

*“While there are honourable exceptions there are far too many organisations whose management of significant prospects and really major donors is inadequate – undertaken by inexperienced and junior staff, with no engagement by trustees or senior staff outside the fundraising team. They often do not provide clear and transparent information on the impact of philanthropic investment. They mostly do not ask for and respect the expertise that is the source of the wealth. They tend to have clumsy bureaucratic procedures. They rarely thank people promptly or address them appropriately. They do not ask donors how they would like feedback, or provide opportunities for the donors to learn more about the work. They do not explain the business model, or the importance of core costs, and then grumble when donors want their funding to go only to projects.*

*“They are not willing to invest in creating and nurturing potentially major long term relationships. They do not make it easy and enjoyable for donors to bring in other potential supporters. And, crucially, they misjudge why the prospect might support them, and what they should ask for, because they have not done their research. In other words the experience of giving is neither as fulfilling nor as much fun as it could and should be.”*

Motivators and barriers are a mix of deeply held beliefs and more pragmatic factors. While donor behaviour is a complex area, evidence suggests greater understanding of donors’ needs along with more sensitive stewardship could overcome many of the obstacles that hamper more giving.



**Chart 3: Motivators’ importance in driving high-giving levels**

*Giving to charity is an emotive matter, driven by a wide range of internal values and beliefs. To uncover what the most important of these are, research undertaken for Barclays Wealth analysed how the key motivators related to the amount of money the wealthy donated each year.*

*Chart courtesy of Barclays Wealth*

Culture secretary Jeremy Hunt says,  
*“Philanthropy is central to our vision of  
 a thriving cultural sector.”*



## The role of the state

Government and philanthropy share a difficult relationship. The state has a role to play in incentivising giving and has used its powers to do so. Yet philanthropy’s role as a challenger to government policy is jealously protected. How will the relationship develop under the new government?

The last government has worked to overcome the barriers to giving and tap into the motivations for it through regulation of non-profits, tax incentive policies including Gift Aid and by setting up new organisations and strategic partnerships such as Philanthropy UK to promote more effective giving. It has funded research initiatives and made awards such as The Beacon Awards to encourage individuals to donate time and money. Gordon Brown demonstrated a personal commitment to philanthropic giving with the appointment of Dame Stephanie Shirley as the ambassador for philanthropy – an idea now gaining traction around the globe. Philanthropy UK documented these developments in its 2009 September newsletter article ‘Legislating for Philanthropy’.

At the time of writing, the new coalition government had yet to reveal the detail of how it intends to promote philanthropy, and indeed how much money will be available to do so, but it has already acknowledged that philanthropists will have a key role to play in its ‘Big Society’ concept.

Philanthropy specifically gets a mention in the *Coalition Agreement*, with government saying it will ‘take a range of measures to encourage charitable giving and philanthropy’. The agreement also talks of the need to promote excellence in media sports and culture ‘with government funding used where appropriate to encourage philanthropic and corporate investment.’

New Civil Society minister Nick Hurd said before the election that he wants to create new ‘social norms’ around higher levels of giving, both of time and money.

*“There is much more we can do to connect local wealth generators with the opportunity to help their local community. We need to encourage more role models from different walks of life to inspire and motivate others to follow their lead,”* he said.

With swingeing government cuts on the way, new culture secretary Jeremy Hunt has already called on philanthropists to support the arts.

Hunt gratefully received Charles Saatchi’s recent £25m gift to the nation – ‘a living museum’ of art – on behalf of the government.

*“If you want to succeed you should strike out on new paths, rather than travel the worn paths of accepted success.”*

John D Rockefeller, philanthropist and founder of the Standard Oil Company, 1839-1937

*“There is much more we can do to connect local wealth generators with the opportunity to help their local community. We need to encourage more role models from different walks of life to inspire and motivate others to follow their lead,”*



*New Civil Society minister Nick Hurd said before the election that he wanted to create new ‘social norms’ around higher levels of giving, both of time and money.*

*“Charles Saatchi has built up a collection of huge international importance. His decision to gift these works to the nation is an act of incredible generosity and I’d like to thank him on behalf of the government,”* adding an important footnote on the role of philanthropy in the lean times ahead, *“Philanthropy is central to our vision of a thriving cultural sector and this is an outstanding example of how Britain can benefit from individual acts of social responsibility,”* he said.

Research also shows the wealthy are expecting to be asked to play a bigger role. A Barclays Wealth study<sup>10</sup> says 49% of the wealthy believe that since governments around the world have borrowed large amounts of money, they have less capacity to give, and charities will become more reliant on wealthy individuals. Encouragingly for the future of the third sector, this attitude is more prevalent with age. Some 72% of those under 35 believe the government will become more reliant on them, the next generation of the wealthy.

*“The recession will potentially increase the role of the wealthy philanthropist on a broad basis, as governments around the world become more constrained in the causes they can fund. High net worth givers will become an invaluable source of innovation and investment for charities,”* the report says.

How effective tax reliefs are in encouraging giving is still an unknown. *“The UK and US, where there are high giving levels, have the most generous tax regimes but there is as yet no international research comparing the precise effects of different tax reliefs on levels of giving,”* says CAF<sup>11</sup>.

Hurd too is unconvinced that tax relief is a trigger to more giving. He said in a December 2009 Philanthropy UK article, *“I am not sure that tax is a big driver, although we have said that we will look at reforming Gift Aid to make it more efficient, and also tax breaks to stimulate social investment in the most deprived areas.”*

Barack Obama in explaining his plans to cap the size of tax breaks available for the highest earners, made clear his feelings on the relation between incentives and giving.

*“Now, if it’s really a charitable contribution, I’m assuming that that shouldn’t be the determining factor as to whether you’re giving that \$100 to the homeless shelter down the street,”* he said.

However the *World Wealth Report 2010*<sup>12</sup> documents a growing trend for ‘giving while living’ and says as a result there is greater emphasis on incorporating giving strategies into donors ongoing wealth accumulation and capital-preservation plans, which may lead to more interest in tax incentives.

<sup>10</sup> *Tomorrow’s Philanthropist*, Barclays Wealth and Ledbury Research, July 2009

<sup>11</sup> *International comparisons of charitable giving*, November 2006, CAF, Sally Clegg and Cathy Pharoah <http://www.cafonline.org/pdf/International%20%20Giving%20highlights.pdf>

In the Barclays Wealth<sup>13</sup> report, 52% of those surveyed said that the most effective way for the state to increase donations would be to increase tax breaks to offset charitable giving. However, it also says many believe the state's role should be restricted and that it should avoid intervening in philanthropic activities. Some of this is based on a lack of trust in the political process, with 59% of the wealthy agreeing that this distrust *'has prompted them to give directly to charities'*, where they feel their money can make a bigger impact rather than indirectly through taxation.

Francie Ostrower, in her book *Why the Wealthy Give*, explores this point, *'Distrust and scepticism toward government are integral components of [a wealthy donors] position'*. She finds that wealthy people prefer to donate than pay tax because they distrust government to spend their money well, due to the *'politicised nature of decision making in government'*, the low calibre of people who

work in government, its large size and bureaucratic structure. One of her interviewees sums up their feeling succinctly, *"If I wanted to live that way [i.e. pay tax instead of make donations]. I'd move to Sweden"*.

The state's role in philanthropy remains important, but relationships between donors and the state are complex and to some degree the evidence for the impact of various pro-philanthropy initiatives is, as yet, unclear.

<sup>12</sup>World Wealth Report 2010, Merrill Lynch-Capgemini

<sup>13</sup>Tomorrow's Philanthropist, Barclays Wealth and Ledbury Research, July 2009



*Philanthropists Eli and Edith Broad are among the first billionaires to sign up to 'The Giving Pledge' led by Bill Gates and Warren Buffett.*



## The role of the donor

If philanthropy is to be promoted it needs to come out of the closet – yet it remains a taboo topic. Research reveals a move towards more active philanthropy; donors want to have more of a voice in their giving, yet organisations they support are failing to allow them. Here we explore how philanthropists can be empowered to become more dynamic donors.

In a recent BBC News at Ten interview on how philanthropy might be promoted, film producer and politician David Puttnam perhaps spoke on behalf of many philanthropists when he referred to the largely US practice of naming as 'tacky'.

British philanthropists are more shy than their American counterparts. They tend not to feel comfortable having their name emblazoned on the projects they fund, as is the norm in American philanthropy. Art collector Charles Saatchi in donating his £25m art collection and eponymous London gallery to the nation has perhaps started a reverse movement – he has 'un-named' it, requesting it be known as the Museum of Contemporary Art. It's a masterpiece in self-effacement, and a monument to the hush that surrounds giving. Or perhaps it is Saatchi's way of making a genuine gift to the nation.

It's true to say philanthropists do not like talking about their giving, or even discussing the issue with their advisors. Philanthropy is a taboo topic.

Independent philanthropy advisor and author of *Why Rich People Give* Theresa Lloyd understands the need for anonymity and says this may in part be due to a cultural perception of philanthropists who are regarded by many non-philanthropists with suspicion.

*"Sometimes donors feel they can't 'win'; if they allow their name to be publicised they are berated for seeking publicity and acclaim, and of course if they give anonymously they may be thought to be mean."*

But if philanthropy is to be promoted it needs to come out of the closet and many believe philanthropists have a role to play in making that happen.

Philanthropists Warren Buffett and Bill Gates have done much towards more 'open philanthropy', making high profile, billion dollar donations, and now the launch of 'The 'Giving Pledge' ([www.givingpledge.org](http://www.givingpledge.org)) initiative, which directly asks other philanthropists to make an open commitment to give at least 50% of their wealth to charity. It has certainly put philanthropy in the headlines and set blogs alight with commentary, as well as started a tsunami of re-examination on the best way to 'do' philanthropy.

At the time of writing four families had agreed to announce their pledge – real estate and construction billionaire Eli Broad, venture capitalist John Doerr, media entrepreneur Gerry Lenfest and former Cisco Systems chairman John Morgridge.

Buffett said the pledge is *"inspired by the example set by millions of Americans who give generously (and often at great personal sacrifice) to make the world a better place"*.

Will it make a difference? *"It would easily double or triple the amount of philanthropy in America,"* said Melissa Berman, president of Rockefeller Philanthropy Advisors, a non-profit organisation that has advised the Bill & Melinda Gates Foundation on The Giving Pledge initiative.

The Charities Aid Foundation (CAF) estimates a figure of £60bn if the pledge was taken up by the UK's billionaire philanthropists.

*"If we would be able to get this influx for philanthropy from billionaires, it would inspire other Americans,"* Berman told Bloomberg News at the time of the launch. *"And then we could really change what the world is like."*

But it's not just the monetary value the pledge might unleash that's important – harnessing the power of role models to engage others in conversation is perhaps even more valuable.

The Ambassadors for Philanthropy website ([www.ambassadorforphilanthropy.com](http://www.ambassadorforphilanthropy.com)), created by philanthropist Dame Stephanie Shirley, the world's first ambassador for philanthropy, centres on the same idea, and gives philanthropists an unedited voice. Among philanthropists who have videocast on the website are Fred Mulder, Alec Reed, Stefanos Stelio, Marcelle Speller and Matthew Bowcock.

Roberta d'Eustachio, the initiative's chief of staff, speaking on the impetus for the website, says, *'For one thing, that old but deep-seated notion that "Brits don't talk about their money or their giving..." was begging to be crushed. In fact, it seemed to us that this notion was already dead, but people were still mouthing the words despite the culture moving on. The site chronicles this culture shift so that others in Britain will see the importance of discussing openly what they care about when they give.'*

Philanthropy UK also provides a voice for philanthropists through its My Philanthropic Journey column (see page 39) in which philanthropists share their experience of giving. And case studies such as those in the *Coutts Million Pound Donors* report are also a platform for big givers to share their experience of giving.

The role donors play in promoting philanthropy is increasingly a topic of focus. A 2004 study<sup>14</sup>, initiated by the Bertelsmann Stiftung Foundation and a consortium of other organisations, explores the role of 'donor leaders' - role models, advocates, conveners, mentors, and standard-setters – in promoting philanthropy.

*"Active, visible leadership from well-known, well-respected individuals can play an important role in encouraging greater giving,"* it says. *"Particularly effective appear to be 'donor leaders' – donors who provide visible role models for other potential donors. From global donors on the international stage to local leaders who champion important projects in a particular community, it is clear*



*Bill Gates is using his influence as a 'donor leader' to help promote philanthropy.*

<sup>14</sup> *Promoting Philanthropy: Global Challenges and Approaches*. Paula D. Johnson, Stephen P. Johnson and Andrew Kingman. December 2004, International Network on Strategic Philanthropy (INSP) [www.insp.efc.be](http://www.insp.efc.be).



*that such leaders can be both inspiration and models for those with an inclination to give. So-called 'donor leaders' can do much to promote philanthropy awareness, knowledge, and engagement."*

The paper encourages donors to be open and transparent in their giving. *"Such openness affirms the value of social investing, demonstrates the impact of giving, and attracts the attention of other potential donors and the media,"* it says.

We know high-profile role models can inspire. Bill Gates and George Soros have helped spawn a new generation of young donors in the United States. It is also said that Ted Turner's creation of the UN Foundation directly influenced Bill Gates.

However, Craig Lefebvre of socialShifting, Sarasota, in Florida, an expert on use of design and marketing principles for social change, says celebrity or high profile donors are not necessarily the most powerful role models in encouraging non-donors to give.

*"I think Bono and high profile 'givers' are great spokespeople to gain 'mainstream attention', but if I wanted to influence high wealth individuals to give (more), I'd look for people more like them.*

*"The wealthy like to associate with people they want to be like – so getting people who do give to talk more about why they do and be more visible is important. Universities are very good at tapping into their alumni,"* he says.

Donors are more than money providers – they have skills and experience to donate to their causes and

*"Sometimes donors feel they can't 'win'; if they allow their name to be publicised they are berated for seeking publicity and acclaim, and of course if they give anonymously they may be thought to be mean."*

entrepreneurial philanthropists are particularly highlighted as those wanting to take more of an active role in their chosen projects. But organisations can find it difficult to let them in.

Mirm Kriegel, director of philanthropy and social enterprise of BBMG, a US branding and integrated marketing firm, in her paper<sup>15</sup> says cultivating single donors to build a community of passionate champions requires organisations to invite them in, engaging them actively in decision making. *"It means relinquishing top-down control and inviting them in to shape the conversation. When organisations create opportunities for engagement—including platforms of expression that show identification and belonging—donors and supporters can share the benefits of their actions with others. Brands that open their doors to authentically engage and empower*

*their Passionate 10 Percent™ will be better positioned to build trust, win loyalty and drive innovation and impact."*

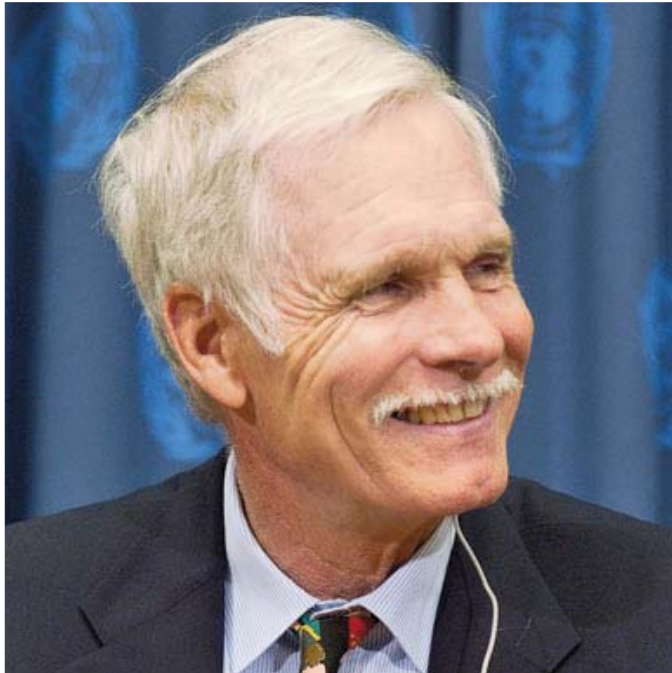
Kriegel identifies a 'Passionate 10 Percent™' of an organisation's supporters who should be *"authentically engaged and empowered"* then they will be *"better positioned to build trust, win loyalty and drive innovation and impact,"* she says.

The Gates/Buffett 'Giving Pledge' is a textbook example. The initiative kicked off with a meeting in New York in May last year with the idea to assemble a group of billionaire philanthropists to discuss strategies and encourage giving, hosted by David Rockefeller and included George Soros, Oprah Winfrey and Michael Bloomberg. Those who take the pledge are invited to pick the causes that they fund and they will be invited to share their views on the Giving Pledge website.

Lloyd agrees donors need to be included. *"It's clear that people need to feel that they are making a difference, that they can learn and be involved. In the US people commonly give to organisations on whose boards they sit. But this is less the case in the UK. Of course this involvement should not extend to influencing the organisation's overall strategic direction and its values, but there is an expectation that if you give money you will at least be asked for your views. I think that an important role of a fundraiser is to facilitate donors' overall engagement, and to ensure that those who deliver the mission are involved in this process."*

The BBMG study revealed another major finding around the power engaged donors can bear on others.

<sup>15</sup> From *Legacy to Leadership: Is Philanthropy ready for the New Consumer?* Mirm Kriegel, Director of Philanthropy and Social Enterprise at BBMG



Media mogul Ted Turner's creation of the UN Foundation is said to have directly influenced Bill Gates.

'Enlighteneds' – the 10% of Americans most driven by their values when making decisions – are three times more likely to be influencers who shape the conversations and behaviour of the other 90%. They're three times more likely to talk positively (and negatively) about a brand to their friends and family, and to help create content and spread the word.

"In short, they'll do your work for you – if you're in their favour," says Kriegel.

We said at the outset of the article that philanthropists are shy about their giving for many reasons – but that does not mean they are unwilling to talk. Confidential networks and events, such as those run by Coutts, Barclays Wealth and workshops run by The Institute for Philanthropy among others, that allow donors to meet, talk, inspire and educate are the kind of safe havens more donors require, according to New Philanthropy Capital's paper *The Business of Philanthropy*.

These events are important for another reason – they provide for an often overlooked aspect of philanthropy, namely pleasure. Few donors are purely altruistic and they want to enjoy their giving, both the reward of making a difference and the pleasure in the process of doing it.

The Funding Network's (TFN) pioneering social giving evenings, described as the 'Dragon's Den' of charities and

donors acknowledges this. Founder Fred Mulder, says the events were inspired by his own experience as a donor. Mulder found giving an isolated experience, and values the shared intelligence and fun that comes from working as part of a group. "I had a couple of bad experiences early on in my giving career and I realised that I would be in a much better position if I had a group of people that I could check in with."

There is general agreement then that philanthropists have an important role to play in promoting philanthropy through their powerful networks and the positions they hold. However, if philanthropists are to put their mouths where there money is, there needs to be more openness from philanthropists and those who seek to engage them. Organisations need to fling open their doors and genuinely invite in donors to take 'a seat at the table' – donors need a voice within, if they are to use it with out. The Buffett/Gates Giving Pledge is a fine example, inviting those who take the pledge to share their ideas and shape the future of the project at regular 'givers' dinners'.

If taboos are to be broken around philanthropy, more philanthropists need to overcome their shyness and speak up – again 'The Giving Pledge' initiative may help by offering a banner under which philanthropists can mobilise together and march towards a tipping point.

*Matched funding, championed in the UK by philanthropist Alec Reed through his foundation website The Big Give, is raising millions in minutes. Its 2009 event outstripped its £6m target, raising £8.5m*

© Philanthropy UK / Lisa Barnard.



## The role of innovation

Philanthropic organisations, foundations and individuals have taken a lead in catalysing giving, pushing the boundaries of philanthropy to attract new donors through innovative products, services and giving vehicles, with notable success.

A paper published by the Giving Campaign (July 2002)<sup>16</sup> states that 40% of new funding in the US was the result of innovative giving vehicles.

In the last few years we have seen an explosion of new ways to give in the UK. Matched funding, social enterprise, venture philanthropy, social impact bonds, impact investing, donor advised funds, giving circles and online giving vehicles are just some of the new entrepreneurial models being embraced by donors.

The innovation is a response to new demands from donors. Andrew Haigh, a managing partner at Coutts & Co which has just announced funding for five subsidised places for social entrepreneurs on the Cranfield School of Management's Business Growth and Development Programme (BGP), says, "*We chose to support social enterprise because we work with some 20,000 mainstream entrepreneurs and they're more interested in social enterprise than in traditional charitable giving. They don't like sitting in rooms looking at grant applications and then simply signing cheques.*"

Matched funding is an alternative to cheque-writing that is raising millions in minutes. Championed in the UK by philanthropist Alec Reed through his foundation website

The Big Give (though pioneered by the UK government with its matched funding scheme for universities), it raised £2m for more than 200 charities in just 45 minutes in 2008, picking up the *Third Sector Excellence Award for Innovation*. Its 2009 event outstripped its £6m target, raising £8.5m.

It has announced a £20m target for its 2010 Christmas Challenge Fund and the first confirmed sponsor is Arts & Business which has invested £350,000 as a catalyst fund with the aim of raising £3m for arts organisations. Oxford University's matched funding appeal raised \$100m (£66m) in a year and the national disability charity Scope has just launched a venture philanthropy investment model which combines donations, tax breaks, soft loans, matched funding and commercial loans so that each £1,750 donated will create a value to the charity of £18,000.

Though there is an absence of robust research, there is anecdotal evidence that innovation and neater packaging of products – in short better product marketing – attracts new donors.

Tris Lumley, head of strategy at New Philanthropy Capital, hesitates to use the word 'commoditisation' in relation to philanthropy but says "*philanthropists and*

<sup>16</sup>*The future of giving?*, (July 2002)



*“Productising philanthropy is always going to help people. The more that we can package giving so that people know that makes them a generous person the better,”* says Joe Saxton, of non-profit research consultancy nfpSynergy.

*funders are demanding more ‘off the shelf products’, that show a clear return on investment.”*

Joe Saxton, of non-profit research consultancy nfpSynergy, adds, *“Productising philanthropy is always going to help people. The more that we can package giving so that people know that makes them a generous person the better. That’s why the best fundraisers are very transparent about what gift buys what naming rights or public praise. We are poor at productising in the UK while the Americans are very good.”*

Saxton suggests a radical idea for the UK; a ‘pizza menu’ approach to philanthropy naming, *“I’d like to see a list of naming opportunities, arranged by value, allowing philanthropists to more easily choose what they could support.”*

As David Puttnam’s recent outburst against ‘tacky’ naming opportunities shows, it wouldn’t be to everyone’s taste, however time is one of the major ‘costs’ of philanthropy – and repackaging giving to provide more ‘off the peg’ solutions alongside a traditional bespoke approach could suit some, says Lumley.

Entrepreneurial philanthropists wanting alternatives to cheque-writing, are driving innovation in the philanthropic market place – impact investing, matched funding and venture philanthropy are some of the new, measurable and increasingly acceptable ways to ‘do’ philanthropy. The hope is they may harness philanthropy as a powerhouse for social change.

*“My theme for philanthropy is the same approach I used with technology: to find a need and fill it.”*

An Wang, Chinese born American computer engineer and inventor, 1920-1990

*Remember A Charity undertook an integrated marketing campaign 'to normalise legacy giving' using humour as a novel way to approach a difficult subject and engage donors (see case study on page 33).*



## The role of marketing

Imagine an advertising campaign that would increase effective philanthropic giving tenfold by inspiring non-donors to give away their wealth. Of course silver bullets don't exist in philanthropy, nor in marketing.

But could the wealthy be encouraged to give on the back of a generic giving campaign?

For some, it's a notion too far.

Founder of non-profit research consultancy nfpSynergy's Joe Saxton says, *"The idea that you can promote giving through a campaign to give more seems to me ridiculous. If you want people to use more Persil you don't run a campaign to promote more washing of clothes."*

Emma Turner, head of client philanthropy at Barclays Wealth, says, *"People get very exercised over the fact that not all wealthy people automatically give, but it's not just about wealth. There are other factors that have to be considered such as where you are in your life and what your current commitments are and then likely to be in the future – it's all relative. We should also remember that just as some people don't exercise every day or eat carrots, philanthropy isn't for everyone."*

*There are people who give, people who don't and people in the middle who might be open to giving if they had some help getting on their journey."*

Many countries have already experimented with generic campaigns including the UK. The Giving Campaign (2001-2004) sought to encourage a broad culture of giving and to increase the number of donors and the amount given in the UK. The campaign targeted specific audiences, including the wealthy and their advisors, employees and employers, and young people. Multiple media channels promoted the use of a new package of tax incentives for charitable giving. While the campaign did not meet all of its targets, it showed impressive gains; notably, payroll giving increased from £55m in 2001 to £86m in 2004.

Marketing has long time been a part of promoting behaviour change. Social marketing pioneer Philip Kotler caused a storm when he published his seminal article<sup>17</sup> in *The Journal of Marketing* in 1971 showing that behaviour could be changed by applying marketing strategies and psychological theories to promoting social change. Writing 30 years on in *Social Marketing Quarterly* he says, *"Even the marketing profession thought we had gone too far."*

Explaining the concept he says, *"Most social groups espoused either economic or political activity as the underpinning of their social efforts."*

<sup>17</sup>*Social Marketing: An approach to planned social change*, The Journal of Marketing 1971, by Philip Kotler

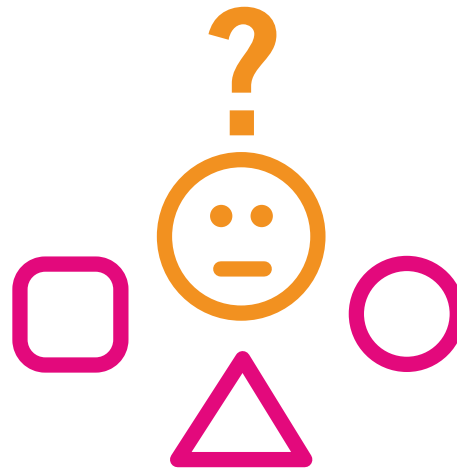
“Social marketing included this but added the importance of deeply researching the target market’s attitudes and behaviour as well as developing strong communication aligned with the target market’s mindset,” says Kotler.

He accepts the application of commercial ideas and methods to promote social goals is seen by many as another example of ‘business’s lack of taste and self-restraint’ but adds “the application of the logic of marketing to social goals is a natural development and on the whole a promising one. The idea will not disappear by ignoring it or rallying against it.”

Kotler was discussing social marketing Mark 1.0 (paper). We now have social marketing 2.0 (interactive) and even 3.0 (intelligent web) which allows donors and those who support them to network, interact and engage with other key players.

Gavin Sheppard, director of marketing and communications at The Media Trust ([www.mediatrust.org](http://www.mediatrust.org)), which works to give communities a voice through the use of media, believes there is scope for a generic campaign to engender a culture of more giving. He says, “We have to challenge convention in an age of ‘disruptive marketing’.

“Marketing can be used to set the stage and create the context to make people more receptive to giving. It’s a slow burn and you can’t expect to change attitudes through a quick one-off national campaign. But by using the many powerful stories and the voice of the benefactors within campaigns, by providing moving case studies, and employing the many marketing mechanisms now available, I believe marketing can help to shift attitudes and make giving more likely.”



#### Choice architecture

Cass Sunstein and Richard Thaler in *Nudge: Improving Decisions About Health, Wealth and Happiness* use the term ‘choice architecture’ to describe how decisions can be influenced by the way in which they are framed. This concept is particularly relevant to communications and central to the aims of many communications strategies, suggesting as it does that the way choices are framed can make them more effective.

Sheppard stresses such a campaign would have to be targeted at everyone, not just the wealthy.

He feels charities should be less ‘brand proud’ and concentrate more on bringing together the donor and the beneficiary to have their own conversations. “We need to make them more visible to each other and show donors how they can make a difference, while empowering them to take part. Telling the story is vital and it is much easier and cheaper to do so today using technologies such as video, photography and online and mobile technology. I believe the third sector leads the way in the use of new media. But we have to get even better at using the channels open to us.”

A Central Office of Information (COI) paper *Communications and Behaviour Change*, shows through case studies that communications can perform a range of different functions, from reframing an issue, to promoting normalisation (See Remember A Charity case study, page 33), to building up people’s belief and confidence in their own ability to change.

It says, “Understanding behaviour and its influences will enable us to harness the most efficient and effective communications channels. The spread of new technologies and the proliferation of content and communications channels mean that we have more tools at our disposal than ever before. It also means that we need to look at communications in new ways, alongside the factors that influence the behaviour we are seeking to change.”

And it points to ‘earned opportunities’ in the form of trusted experts, such as family, friends and social media contacts, as an important resource. “People look to those around them to guide their behaviour and support them through change. For communications, this area has traditionally been the preserve of PR. However, the internet creates powerful new opportunities, including blogs and user-generated content, which can be effective channels for facilitating social proof and peer group support,” it says.

Social marketing provides the means to hold conversations, exchange knowledge, build relationships, and provide help, support and advice. Using it to ‘light many bonfires rather than looking for the one silver bullet’ should be the aim says Stuart Sullivan Martin, chief strategy officer of MEC Global, when speaking on communication planning at last November’s launch of the COI paper.

But a word of caution; popularising philanthropy by targeting it too widely or selling it too cheaply may make it less attractive to the wealthy, says Dr Eleanor Shaw, marketing reader at Strathclyde University, part of the Centre for Charitable Giving and Philanthropy (CGAP). She identifies a philanthropic 'Burberry effect': the exclusive fashion brand was shunned by the wealthy when it became popular among other social classes.

Veteran fundraiser Ken Burnett also sounds a note of caution in using marketing to connect with donors. He believes it has not helped the donor-charity relationship. "Looking back, I feel it was a mistake for fundraising to go down the marketing route. Charities have lost the ability to connect deeply with donors who are under siege from a constant stream of messaging that, with a few notable exceptions, is very much alike. Charity marketing has become too slick, too professional and the messages have lost their authenticity. As a result relationships with donors are too shallow and the rates of churn are enormous and unsustainable," he says.

We have seen how today's media might provide the means to execute a slow burn campaign, but what of the message?

"Aim big", is one well-supported opinion on how to engage donors. Burnett highlights the success of the NSPCC's 'FULL STOP' campaign which he says connected with donors because of its ambitious aim to 'end cruelty' to children.

Among its achievements was to increase the amount of public support amongst adults – in 2009 more than 80% of adults regularly told them that ending cruelty to children is one of their top causes – an increase of 65% from the launch of FULL STOP in 1999.

Though the campaign was not without its detractors who felt it made a sweeping claim that recklessly over-promised by perverting that it could end child cruelty. The NSPCC's head Andrew Flanagan admitted in a Daily Telegraph article last year that "the drive failed in advancing towards the goal of ending child cruelty in terms of the expectations at the beginning".

Adam Rothwell of The Intelligent Giving Blog said in response to the admission, "Promising the earth may recruit armies of donors in the short term, but it also inflates expectations of what charities can deliver, and encourages other organisations to make equally unrealistic claims – like when Oxfam recently claimed to be able to deliver utopia on earth."

But leading fundraiser Giles Pegram, who as NSPCC appeals director grew the charity's income from donors and supporters from £3m to £145m and was instrumental in bringing the FULL STOP campaign into being, raising £250m to kick-start it, says, "A campaign must be ambitious. I believe fundraisers have a responsibility to encourage their organisations to be aspirational in their missions and objectives, and not to be constrained by the limitations of incremental fundraising. Fundraisers change the world!," he says.

So could a generic 'Give more' campaign work? With social marketing's new digital sophistication, its scope to engage rather than interrupt its audience, its ability to tell stories compellingly and reach donors where they are, it may well have the means.

The Buffett/Gates 'Giving Pledge' is as close as we have come to such a campaign and it is aspirational with its



call to US billionaires to pledge to give away 50% of their wealth.

What could help it succeed is social marketing. There is a need to keep the conversation going and this will happen through 'word of mouth' channels, both online and off. Already the subject of pundit chat in blogs, leader columns and forums, 'The Giving Pledge' has put philanthropy in the spotlight and it will be interesting to see whether contemporary marketing strategies can help sell the idea.

*“To give away money is an easy matter and in any man’s power. But to decide to whom to give it, and how large, and when, and for what purpose and how, is neither in every man’s power nor an easy matter.”*

Aristotle

## What is a philanthropist?

The first rule of effective communication is ‘know your audience’. Only then can you communicate effectively with them. If marketers are to successfully communicate with philanthropists they need to know who they are talking to. So how to define ‘philanthropist’?

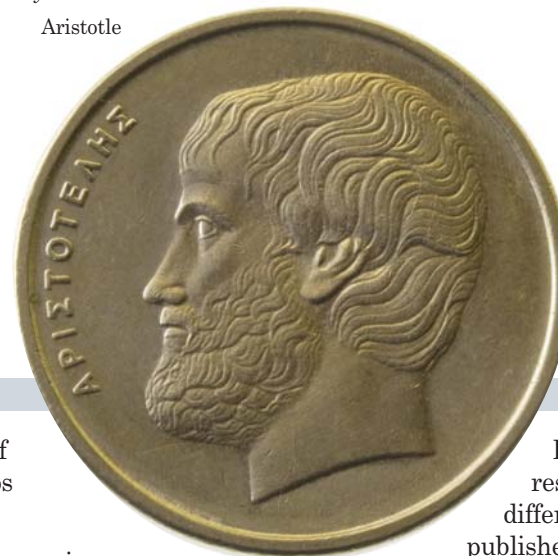
The literal definition of philanthropy is a ‘love of mankind’ – philo meaning ‘love of’ and anthropos meaning ‘man’.

A more contemporary understanding of philanthropy is that it relates to highly engaged giving by very wealthy individuals, families and foundations to meet unmet social need. But in a world where technology can pull together millions of donors to give philanthropic-sized sums of money and people donate time and skills in lieu of money, ‘philanthropists’ are increasingly hard to define.

And one philanthropist becomes many kinds of philanthropist as he or she travels their giving journey, becoming more engaged, knowledgeable and ambitious along the way.

The thing we do know about philanthropists is they share a common interest in giving, they want to make a difference and are inspired to do so for myriad reasons (see *Why the wealthy give and why they don’t*, page 8).

The impulse to give is often an emotional and not necessarily rational decision. However, once donors have decided to give, they may become increasingly interested to know how their money is being spent and whether it is having an impact.



However, other research paints a different picture. A newly-published study from the US, debunks two fundamental ideas about philanthropists – that their giving motivations are defined by their wealth and that they are focussed on evaluation and measures, above other considerations.

The *Money For Good* report from Hope Consulting ([www.hopeconsulting.us](http://www.hopeconsulting.us)), underwritten by the Hewlett and Rockefeller Foundations and a number of other well-known organisations, was motivated by a wish to seek the ‘voice of the customer’ for charitable giving and impact investing.

It identifies six types of donors based on their motivations for giving and found motivations varied little by gender, age, or income level, suggesting that fundraisers ought to tailor their appeals to fit a donor’s reasons for giving rather than demographics.

*“It’s a different approach than thinking high-income people are very different, and we need to appeal to them in different ways,”* says Hope Neighbor, a founding partner at Hope Consulting.



Dr Eleanor Shaw, of Strathclyde Business School, part of the Centre for Charitable Giving and Philanthropy (CGAP), says in her paper<sup>18</sup>, *“Giving and philanthropy are influenced by gender, occupation, income bracket and location as well as life experiences and values. Thought about like this, it is clear that people donate for various reasons, many not associated with or affected by how much money they have.”*

Lee Jackson, third sector marketing expert of integrated creative agency The Team, makes another important point about defining philanthropists by how much they give. *“The term ‘major donor’ is an organisational label that charities give to high value donors and is unlikely to mean much to the individual. The charities with successful high value programmes focus on the individual motivations of each potential philanthropist, rather than a generic approach to all.”*

Craig Lefebvre of socialShifting, Sarasota, in Florida, an expert on use of design and marketing principles for social change, says, *“High net wealth philanthropy, as distinct from philanthropy among the affluent, is not just about giving – it is as much about prestige, power and ego as doing good and happens in powerful social networks. Philanthropy is an aspirational pursuit and involves a lot of psychology. And it includes recognition and celebration,”* he adds.

Perhaps research can help us understand more about the motivations for philanthropy and *the Money for Good* report has shed interesting new light.

But isn't it more helpful to think of philanthropists first and foremost as passionate, innovative and creative people with many interests – among them giving?

CAF's head of marketing Sean Kelly supports the holistic view, *“Donors respond much better when fundraisers and charities ‘get them’ as people. There needs to be much more of an appreciation of giving as a part of an holistic life by those trying to appeal to them.”*

If marketers and fundraisers remember to see philanthropists as people rather than walking wallets, they won't go far wrong.

*“It's a different approach than thinking high-income people are very different, and we need to appeal to them in different ways.”*

<sup>18</sup> *‘Giving, philanthropy, recession and the future’*, Dr Eleanor Shaw, University of Strathclyde, part of the Centre for Charitable Giving and Philanthropy (CGAP)

*iHobo is a controversial awareness raising tool from Depaul UK that highlights the issue of homelessness through a phone application*



## The application of technology

There's an app for just about everything, including philanthropy. Organisations are applying digital technology in ever more sophisticated and creative ways to engage donors in playful processes with a serious purpose.

In the last edition of the Philanthropy UK newsletter 'Digital for donors' we reported on a soon-to-be-launched GetGiving application offering a low-friction way for donors to make micro donations on Apple iPhone, Blackberry or Windows Mobile to selected charities in seconds, allowing beneficiaries to collect Gift Aid more easily.

And new philanthropic apps are starting to appear with the aim of promoting giving, raising awareness of causes and engaging donors more deeply through play.

A controversially-named free application iHobo launched by Depaul UK ([www.depauluk.org](http://www.depauluk.org)) in May 2010 aims to challenge perceptions surrounding homelessness and engage new donors.

Created pro bono by Publicis, the app, the first ever to feature interactive live action video footage, allows users to download a virtual homeless person on to the user's iPhone and effectively demonstrates in real time the complexity of homelessness; lack of shelter, food and money, emotional distress, isolation, drug use, crime and physical and mental abuse.

The app shot to the top of the iTunes download chart within a week of launch and had clocked up more than

400,000 downloads in its first few weeks. It was the No 1 free download; and you can preview the app and a special short film on it at [www.ihobo.org.uk](http://www.ihobo.org.uk).

In the application, the homeless young person wears a hoodie, takes drugs and throws litter and has created controversy around such stereotyping of homeless people. Over three days iHobo is the iPhone user's responsibility with every decision made – such as offering food, money or emotional support – impacting on his life. It uses Apple's most recent 'Push Notification' technology to send alerts to the user when iHobo needs help. Once the application cycle is complete it makes the point that homeless people are in fact not hobos and the user is invited to make a donation directly to Depaul UK, so far more than £46,000.

Through it the charity is looking to attract a new generation of young, affluent donors to continue its work. Paul Marriot, CEO of Depaul UK, says: *"Homeless young people are often stereotyped and looked down upon. When they sleep rough, they are highly vulnerable and face very real risks. But they are just like any other young person and, with the right support, they can be back on their feet and fulfil their undoubted potential. By creating this app we aim to dispel negative stereotypes of young homeless*

*people and raise awareness of the reasons that young people become homeless and the emotions that they feel. We wanted to create an app that would stand out and make people pay attention, and make people think about how they can make a difference."*

Depaul UK and Publicis are keen to start a debate around youth homelessness, government commitment, general awareness and the solutions to these problems.

Tom Ewart and Adam Kean, joint executive creative directors, Publicis, say, *"We wanted to reach that elusive generation of young, affluent donors, who tend to exist in a world defined by their mobiles. It's been a complicated process getting live interactive footage onto an app, but doing something that's never been done before was never going to be easy."*

Neil Simpson, Publicis London chief executive, called iHobo "modern charity marketing" which had successfully created greater awareness, engagement and return at a relatively low cost.

Marriot adds, *"As with all social media, as an organisation you have no control over how that conversation goes. Some of the talk has been very critical of the organisation and the application. However, we know that many of those who have actually downloaded the application have become very emotionally engaged with the issue of youth homelessness. And, for an organisation with no real marketing capacity, the opportunity to raise the profile of our cause and our charity to such a wide audience is immensely valuable."*

iHobo is free to download from the iPhone app store:  
<http://www.apple.com/iphone/apps-for-phone/>

Another app from 21/64 ([www.2164.net](http://www.2164.net)), part of Andrea and Charles Bronfman Philanthropies, aims to help philanthropists picture what they want to achieve from their giving, allowing philanthropists to consider better 'where the soul meets the business plan'.

The app is an online extension of the training, consulting and advisory organisation's Picture Your Legacy deck of 52 colourful images designed to spark discussion among funders of any generation, facilitating greater understanding of an individual and groups' philanthropic identity and aspirations. *"The images help funders develop language to write a mission statement, a vision statement, and an articulated message to funding partners, grantees or family members about what they want to accomplish through their philanthropy."*

Images that include a dancer leaping across the stage, a redwood tree or a lighthouse beacon, help guide funders towards articulating their legacy, be it in business, philanthropy, or life. *"It is often difficult to write from scratch a vision for what you want to accomplish in the world. Images can be helpful in stimulating the process in way words may not,"* it says.

The iPhone application is designed for users to search the image database, tag chosen images with keywords and notes, and send their choices to others for further reflection and discussion.



*The Picture Your Legacy app from 21/64, part of Andrea and Charles Bronfman Philanthropies, aims to help philanthropists picture what they want to achieve from their giving*

*Dame Stephanie Shirley, philanthropist and the world's first ambassador for philanthropy, heads a new steering committee working to develop and encourage the take-up of philanthropy advice services for the wealthy.*



## The role of advisors

Advisors are identified as key players in promoting philanthropy, yet their potential is woefully untapped for a number of reasons. These issues are being addressed by a newly-convened UK steering committee that is working on a plan to give advisors the fire-power to engage with donors and better serve their needs.

*“Although the past decade has seen a significant increase in philanthropy in the UK, giving is still not embedded into the culture of this country. We need to ensure that philanthropy advice is promoted as widely as possible, with the highest standards of best practice, so that wealthy individuals will give more and think more about the impact of that giving.”*

Dame Stephanie Shirley, philanthropist and the world's first ambassador for philanthropy, makes the call in her role as chair of a newly-convened philanthropy advice steering group working to develop and encourage the take-up of philanthropy advice services for wealthy individuals. It comprises representatives from over 30 private client advisory and specialist philanthropy advisory organisations.

It's agreed by most involved in promoting philanthropy advice that client advisors have a vital role to play.

In its paper, *The Business of Philanthropy*, which sets out a plan to develop the full potential of the philanthropy advisory market, non-profit think tank New Philanthropy Capital, says, *“Most wealthy individuals have regular contact with a private banker, an accountant or a lawyer,*

*so these advisors are a natural first port of call for clients wanting help with many aspects of their lives, including their giving. Indeed, many private client advisors are already providing some assistance on giving, in the form of tax advice and structuring of foundations or trusts.*

*“The private client industry is therefore a crucial part of the market for philanthropy advice. Private client advisors have the best access to donors; they can help clients navigate the most appropriate options; and they can build demand for advice from those who have not thought about the benefits of philanthropy. If this industry does not work as well as it might, the philanthropy market will not thrive.”*

Dr Eleanor Shaw, reader in marketing at Strathclyde University, part of the Centre for Charitable Giving and Philanthropy (CGAP), agrees, *“Advisors are the gatekeepers of knowledge and key influencers and it is imperative they are well-versed and knowledgeable about the services, tools and information available.”*

Research<sup>19</sup> shows there is a pent-up demand for good advice about philanthropy. Yet, the NPC report says, *“Not enough advisors are proactively offering philanthropy services to their clients. What is more, where advice is*

<sup>19</sup>Advice needed, *Philanthropy amongst ultra high net worth individuals and family offices in Europe*, New Philanthropy Capital, 2007, <http://www.scorpiopartnership.com/uploads/pdfs/2007%20Scorpio%20Partnership%20-%20Philanthropy%20summary%20with%20NPC.pdf>

*offered, the quality is at times questionable. As the head of one private bank told us: 'Our bankers know their stuff, but it's amateur time when it comes to philanthropy discussions'.*"

There are a number of reasons.

On the supply side, many private client advisors do not know enough about the sector, and others are unwilling to share information about best practice. Many see philanthropy as a 'taboo' subject and are too embarrassed to raise it with their clients. Another barrier is the striking lack of innovation in products and services offered to philanthropists in the UK, though this is starting to change (see Promoting philanthropy – the role of innovation).

NPC believes by building the supply of excellent philanthropy advice, demand for it will grow. Its CEO Martin Brookes cites a range of examples, including 16th century France, where Catherine de Medici introduced the fork to the French court after starting to use it to eat her food. Others soon imitated the queen and stopped eating with their fingers. A more modern success for supply-side economics would be Apple's marketing of the iPhone.

*"History provides plenty of examples of supply-led innovations and I don't see why philanthropy should be different,"* says Brookes.

NPC's Plum Lomax, who co-authored *The Business of Philanthropy* paper, explains, *"There is a fantastic opportunity being missed by many banks, law firms and family offices. Clients are now coming to expect their advisors to help them with their philanthropy, yet very few*



Tris Lumley and Plum Lomax of charity think tank and consultancy NPC have set out a plan to develop the full potential of the philanthropy advisory market in a paper *The Business of Philanthropy*



*advisors have worked out how to do it well. Those who are supporting their clients' giving are beginning to reap the benefits, increasing their revenue and deepening client relationship."*

The paper also calls for the professionalisation of the philanthropy advice market, with the aim of helping to build the trust and confidence of donors in using services.

Paul Knox, head of UK wealth advisory at JP Morgan, a member of the steering committee, says, *"We are seeing a burgeoning market for philanthropy advice and there is a pent-up demand for people to give more effectively. At the moment, the philanthropy advisor market is unregulated, and anyone can call themselves a 'philanthropy advisor' without any formal training or experience."*

*"We want to see a more cohesive philanthropy market developing with a recognised qualification and a minimum standard."*

On the demand side, the difficult economic climate is

making some donors reluctant to discuss giving, and personal philanthropy is still a private and even taboo subject in any case. Some donors do not care enough about the impact of their giving, and many of those who do care about impact are not aware that advice is available. Others are unclear of the value of philanthropy advice.

NPC head of strategy Tris Lumley says, *"Giving away money in a way that aligns with a donor's ambitions and achieves the greatest impact is a very difficult thing to do, yet when we ask donors if they want help the answer is often 'no'. They do not necessarily perceive a problem – a gap between the impact they achieve on their own and how they can greatly increase that with good advice, while advisors are not clear on how offering philanthropy advice can benefit their own businesses. From both a supply and demand perspective what we need to do is to 'build the burning platform'; and show how staying where we are is not an option, We need to force change around these areas and shift the mindset of donors and client advisors on this issue."*

The steering group, which embodies the findings of *The Business of Philanthropy*, paper, identifies four specific issues which if addressed could, it believes create a 'tipping point' in philanthropy advice, namely:

- Stating a clear case – the benefits of advice to the donor
- Where to go to get advice
- Educating wealth advisors
- Ensuring these advisors understand the business case for philanthropy advice.



Philanthropy UK's **Quick Guide to Philanthropy Advisors** is a directory listing many organisations in the UK and around the globe that offer philanthropy advice. It aims to provide a way for those who want to take advice to find the organisation most suited to their needs. It is one of many resources Philanthropy UK provides to support donors in achieving their philanthropic aims.

We also provide resources to help advisors and recently launched **Giving advice: a guide for philanthropy advisors**, with The Society of Trust and Estate Practitioners (STEP) to offer essential information in one place online.

See [www.philanthropyuk.org/Givingadviceaguideforphilanthropyadvisors](http://www.philanthropyuk.org/Givingadviceaguideforphilanthropyadvisors) 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.

It is designed to support private client advisors of all types – encompassing a wide range of individuals and firms, including private bankers, wealth managers, trust and estate lawyers, accountants, trust and family office managers, financial planners, and family business consultants.

One of the ways being considered to meet these aims is through a marketing campaign, and a steering group sub-committee is considering how best this could be done.

Third sector marketing expert Lee Jackson, of integrated creative communications agency The Team, which has produced many campaigns for the non-profit sector, offers some advice. *“Advisors will be seen by donors as another barrier between the charity and the donor and paying for their services will be seen as taking funds away from a good cause.”*

*“Advisors therefore have to prove the value they can add to a donor’s philanthropy. The decision for the donor has to be a ‘no brainer’ – they have to think ‘why wouldn’t I use this service?’”*

*“There is a need to build trust and confidence between donors and advisors and advisors will need to demonstrate their credibility and knowledge of philanthropy. It all takes time and marketing is best done through conversations that begin with the donor’s interests. It’s about building a relationship with the donor first, ensuring you understand their individual needs. Someone isn’t going to marry you after a first date – you need to get to know each other first.”*

Jackson agrees with NPC’s view that one-to-one media channels such as direct marketing, peer-to-peer and face-to-face opportunities would work best in facilitating relationships, while credibility and knowledge can be demonstrated through channels such as blogs, forums and other social media.

In considering the message of a marketing campaign around philanthropy advice Jackson says ‘investing in effective philanthropy’ might be a better sell than asking donors to ‘pay for advice’.

Merrill Lynch-Capgemini’s World Wealth 2010 report, published at the end of June, says explicitly that philanthropists are increasingly seeing philanthropy as an investment and incorporating their giving strategies into their ongoing wealth accumulation and capital-preservation plans. *“They are making more investments rather than gifts and looking at their philanthropy just like they would look at their investment portfolio, including looking for a return on every dollar.”*

Lumley agrees the language of investment may work well. *“We need to talk to donors about investing in their philanthropy. Donors understand they need advice on their investments – so why not social investments? Speaking the language of the donor is key to better communication.”*

Barclays Wealth head of client philanthropy Emma Turner takes a pragmatic view on how quickly these aims may be achieved, despite social marketer Philip Kotler’s belief in the power of marketing (see Role of marketing, page 21) *“It may take a while before philanthropy advice becomes the norm but you cannot rush human nature. Maybe the next generation will automatically accept the need and usefulness of philanthropy advice - perhaps in part that is what we are working towards.”*

*“Philanthropy is entertainment with a purpose. For the consumer, giving online is all about emotion – that means the non-profit’s site needs to offer engaging stories, compelling artwork, and powerful viral marketing tools.”*

Harry Gruber, online entrepreneur and CEO of non-profit software provider Kintera

Dr Felicity von Peters,  
managing partner of Active Philanthropy



## Case study: *Designing philanthropy*

Dr Felicity von Peters of Berlin-based Active Philanthropy reveals the thinking behind a soon-to-be launched playful tool box designed to help attract philanthropists, as well as support those who give to share their experience and knowledge with peers.

“The unprecedented amount of wealth which has accumulated in Europe in the last 50 years has also contributed to a growing interest in philanthropy and different ways to give back. However, the number of entrepreneurs that are active as philanthropists or donors in Europe is still a fraction of what it could potentially be: according to Cap Gemini, nearly 21,000 individuals in Europe have a net wealth of more than \$30m.

But how might we activate potential philanthropists? What do would-be donors need to embark on the journey of giving back? Can we find new ways of promoting philanthropy by assisting existing philanthropists to attract their peers into the field?

To work on these questions, Active Philanthropy approached the global design and innovation consultancy IDEO. The aim was not just to attract new players into the field, but also to promote a culture of giving amongst families and individuals that emphasises the giving of time, talent, treasure and trust – i.e. helps philanthropists to contribute not just financial resources but also assets such as professional experience, contacts and passion for a cause. IDEO specialises in human-centred innovation and has catalysed culture changes in many areas across the public, private and third sectors. With the help of IDEO, the project sought to explore what tools could help potential philanthropists on their journey towards engaged philanthropy and assist them in designing a personal giving strategy. These tools should be crafted in such a way that philanthropists could use them themselves as well as with their peers.

To leverage the outcome of the project, Active Philanthropy brought on board *shærpa*, an organisation promoting engaged philanthropy and social venturing, backed by the Noaber Foundation in the Netherlands,

and another partner from Switzerland that shared the same vision of promoting engaged philanthropy amongst entrepreneurs and their families. In a series of collaborative workshops, the partners discussed various approaches that would help to activate potential philanthropists and assist them in defining the focus and strategy of their philanthropic investments as well as provide benchmarks for the implementation of their engagement.

In a first phase, the IDEO team explored experiences and needs of the target audience from across Europe about philanthropy, regardless of whether they were just starting out on their own charitable projects or had been working in this area for years. The outcomes of these conversations were turned into prototype designs that were tested with another group of entrepreneurs and their families. Designs were crafted along a set of principles that included story-telling, a focus on the outcome and impact of investments, and tapped into both head and heart. In addition, the project focused on ways in which donors could support each other. Discussions with the target audience showed again that peer-to-peer interactions are much in demand, and could be an approach to spread engaged philanthropy all over Europe.

The toolbox is currently being finalised by the partners; further background on the project will be available in the September issue of Alliance Magazine.

The potential impact of attracting entrepreneurs and their families to becoming engaged philanthropists is evident from the fact that most innovations in the sector in the past decade have been driven and supported by entrepreneurs directly or foundations set up by entrepreneurs – be it venture philanthropy, social entrepreneurship or calculating the SROI of an investment. The partners of the IDEO project therefore hope that the findings will help to attract a larger number of entrepreneurs and their families to the sector and leverage the potential for strategic philanthropy this audience has.”

*Active Philanthropy [www.activephilanthropy.org](http://www.activephilanthropy.org)*

*With the help of IDEO, the project sought to explore what tools could help potential philanthropists on their journey towards engaged philanthropy and assist them in designing a personal giving strategy.*

“A man there was, though some did count him mad,  
The more he cast away, the more he had.”

*John Bunyan, preacher and author of Pilgrim's Progress, 1628 - 1688*



# Case Study:

## *Remember A Charity, normalising legacy giving*

### Case Study

#### Remember A Charity

Remember A Charity, which aims to promote legacy giving on behalf of its 140 member organisations, ran an integrated campaign aimed at 'normalising' legacy giving. It used TV, radio and press advertising, preceded by a one week PR awareness campaign under a 'Forget-Me-Not' brand logo.

The TV, radio and press elements were created by global ad agency DDB. Here they present a case study to show how mass media channels were used to successfully reframe many people's attitudes to leaving gifts to charities in their wills.

#### Market Background

Lots of good people (over 70% of adults) give lots of money to charity every year. But

when it comes to leaving a gift to their favourite charities in their will, almost all reject the idea (only 7% leave a legacy). Giving to charity is a normal activity in the UK, giving a legacy isn't. Our strategy successfully challenged this and took a major first step to reposition legacies as socially-acceptable, for the benefit of charities across the UK.

#### Objectives

The objectives were two-fold:

1. Change the nation's attitudes toward legacies: reducing negative perceptions and making legacy-giving socially acceptable.
2. Make more people positively consider leaving a legacy and through this, drive people to visit the Remember A Charity website to find out more information.



*Global ad agency DDB used an unconventional approach to engaging donors in the Remember A Charity campaign, aimed at 'normalising' legacy giving: instead of the traditional focus on death, they chose to celebrate people's lives by telling interesting stories of their last wishes and used humour to make the topic feel light-hearted.*

## Case Study – Remember A Charity

### Strategy

The legacy marketing challenge is a well-established one. We needed to look at the issue from a fresh perspective.

Research revealed three major barriers that didn't exist for other giving methods:

- Most people thought they could not afford a legacy because they are perceived to require huge sums of money.
- Family always came first. Legacies were rejected by the majority of people who felt that such a gift would mean sacrifice for their family.
- Legacies were a taboo subject, too close to death to think about.

Quantitative research showed us the seriousness of this situation: 43% of UK 40+ ABC1 adults would not consider leaving a legacy, 45% were unsure, and only 12% were open to the idea.

Our strategy had to appeal to a mass audience, and remove significant barriers. We did this by repositioning legacies to be an approachable, simple option for all. Critical to this was embracing family rather than trying to compete with it.

### Media Strategy

We used broadcast media to get the topic of legacy-giving out in the open instantly making it feel more popular, acceptable, and worthy of consideration.

Media included 2 x 40 second TV spots on daytime TV, and radio commercials on Classic FM (the 40+'s favourite station). And a press campaign in their

favourite weekend supplements. These all drove people online for more information.

For those that were in the process of making a will we created ambient media to target them in solicitors' offices.

### The Campaign

Legacies are a heavy subject to talk to people about. Nobody wants to think about dying.

To make leaving a legacy feel normal, we needed to be abnormal about how we approached the creative. We chose, instead of the traditional focus on death, to celebrate people's lives by telling interesting stories of their last wishes.

And we used humour to make the topic feel light-hearted.

### Target Audience

UK 40+ ABC1 adults who either have never thought about legacy-giving or are unsure as to whether it is something they see themselves doing in the future.

### Results

A. Change the nation's attitude toward legacy-giving.

40% of people in our tracking survey thought the advertising made them think they personally could leave a gift in their will.

20% said that since seeing the campaign they are more likely to leave a gift to charity in their will. If only 1% of them subsequently leave a legacy, it would mean an extra £50m for UK charities.

B. Increase traffic to the Remember A Charity website

We achieved over 100,000 page views (an uplift of over 33% month-on-month) with visitors spending an average

of three minutes on the site - over 50% longer than before the campaign.

Finally we set out to use humour to engage the audience in a difficult conversation.

The radio ad won the Classic FM Listeners' Award.

### Winning Formula

Firstly, we decided to do something brave, stepping away from showing the usual charity imagery and using light-hearted humour.

The campaign worked harder than any previous campaign with advertising recall levels of 40%.

We achieved more than 100,000 page views (an uplift of over 33% month-on-month) with visitors spending an average of three minutes on-site – over 50% longer than before the campaign. When you consider that the average value of a legacy gift is £52,500\*, this is valuable time spent contemplating a legacy, and the foundation for changing the face of charity in the UK.

*\*Legacy Foresight Monitor*

## Conclusions: *Can marketing activate philanthropy?*

This edition of the *Philanthropy UK Quarterly* explores many aspects of promoting philanthropy. It highlights some interesting factors around giving and sets the context for philanthropy in a 'new age'. In doing so it aims to inform those concerned with promoting philanthropy to understand and better connect with philanthropists.

Among the main findings, our articles show:

- Philanthropists continue to give and expect to shoulder greater responsibility in a time of need - but there is a belief and some research that says philanthropists could do more.
- Among the barriers to giving is a feeling of financial insecurity among the wealthy as the markets continue to fluctuate, though the insecurity is not related to amounts of money so much as how wealthy they feel.
- Philanthropy is a taboo topic – particularly in the UK. Yet, it is felt advisors and donors could be instrumental in promoting philanthropy if they were brave enough to talk more openly about it. Enabling advisors to broach the topic with clients, who are unlikely to raise it themselves, is considered an important next step in developing the advice market.
- Entrepreneurial philanthropists wanting alternatives to cheque-writing are driving innovation in the philanthropic market place – impact investing, matched funding and venture philanthropy are some of the new, measurable and increasingly acceptable ways to 'do' philanthropy. The hope is they may harness philanthropy as a powerhouse for social change.
- While giving remains a highly personal impulse, often motivated by life-changing experiences, more mundane considerations, such as low administration costs and efficiency of beneficiary organisations, continue to be key factors in who donors support. Personal taste is also powerful in influencing choice. Impact is important – donors want to know the difference they make – but new research shows they want more accessible and meaningful evidence. Lengthy, complicated reports are not appreciated and donors tend to find their own ways to filter information and make funding choices in lieu of user-friendly information.
- Philanthropists, particularly the entrepreneurial kind, are increasingly active and seek to solve rather than just support; they want to use their skills and experience in making a difference. Organisations that want to truly engage donors need to lower their own barriers and hand some power to their supporters.

## Can marketing help in this new philanthropic landscape?

In this edition we also ask whether marketing can play a part in promoting philanthropy. Not everybody believes it can or should – certainly traditional marketing methods are not considered the best approach. However marketing has developed apace and it's possible that social marketing 3.0, with its interactive dimension, might be the key to engaging donors and opening up conversations around philanthropy – vital to its promotion.

'The Giving Pledge', launched by Warren Buffett and Bill Gates is a campaign of its time. It fulfils many of the criteria for success as outlined by marketers and practitioners in the preceding articles, namely

- It invites its audience to be part of the solution, asking them to help shape the campaign by sharing their ideas. They are active players and involved not just for their money but for their knowledge, influence and experience.
- Billionaires are invited to share their views at confidential social events where they can speak freely
- The campaign is ambitious and based on a 'big ask' – to pledge to give away 50% of their wealth.
- It makes the most of social marketing channels – there is a website, a Facebook page, and it has excited the blogosphere and other online PR channels with its story

Will it work? Some believe the aspiration may remain that. At the time of writing four billionaires have taken

the pledge and there is likely to be a way to go before the 'tipping point' is reached. But it has certainly shifted the media spotlight on philanthropy and in that way might help confront some of the taboos that surround it.

In conclusion, we'd like to suggest a campaign of our own that aims to tackle those taboos and spark conversations around what might work in promoting philanthropy. We invite interested parties with other ideas to join in. Email your feedback and ideas to [theeditor@philanthropyuk.org](mailto:theeditor@philanthropyuk.org)

### The campaign

The campaign centres on a charity staple – a badge, proclaiming a pro-philanthropy statement and featuring a URL to the Philanthropy UK website, where those interested can find more information about the campaign, the issues around promoting philanthropy, and on how to be a more effective philanthropist. The site offers links to the many hundreds of organisations and networks that can provide further support for people interested in exploring philanthropy.



## The rationale

Third Sector marketing specialist Lee Jackson says marketing is based on a simple principle: a problem and a solution. Here we analyse the campaign in that context.

### Problem 1 – Philanthropy is taboo

As seen from the preceding articles, philanthropy is a taboo topic; both client advisors and philanthropists are not comfortable talking about it. Yet if it remains ‘in the closet’ donors, without the support of peers or advisors will be left in the dark as to how to do it better. There is a call for a more ‘open philanthropy’, for philanthropists and ‘donor leaders’ to stand up and be counted and inspire others as role models, mentors and influencers. Could a badge unite and mobilise philanthropists under a slogan and start conversations about it?

**Solution:** I wore the badge on a tube trip through London and noticed most people read it – it seems people can’t resist a badge. One person asked me about it, sparking a conversation about philanthropy. It’s not scientific evidence – though our article shows many are not keen on complex, overly-long evidence of impact - but it is real evidence that a badge is a talking point and can excite interest and spark conversations. Worn in the right environment and by key people, a badge bearing this simple statement could help overcome the difficulty of raising the ‘philanthropy question’, as well as become an endorsement of philanthropy in influential circles.

### Problem 2 - Defining audience

Defining ‘philanthropy’ is difficult and so understanding the philanthropic demographic is tricky. What do philanthropists have in common? They give money to causes they are passionate about for many different reasons. Beyond that they are individuals. Philanthropists are people with a wish to ‘make a difference’ and with different amounts of money available to make that happen. But defining them by how much they give is a little crude, research suggests. Targeting based on donor interests may be more fruitful. Donors say they want to be part of the solution they fund – they like to be involved in the causes they support beyond the money they give and Barclays Wealth research shows a move towards more active philanthropy.

**Solution:** In fact this campaign is not about the badge, but the wearer. The wearer defines the slogan – not the other way around. A billionaire philanthropist, a community leader, a celebrity, or an advisor each add their own value to the badge and slogan. So rather than devise a campaign for a notional philanthropist – this is for all philanthropists. It puts the all important ‘I’ in ‘philanthropy’ and allows the wearer to become an integral part of the solution in promoting philanthropy. Philanthropists, we hear, are becoming more active, and isn’t a badge the ultimate symbol for activism?

### Problem 3 - Marketing is expensive

Marketing can be an expensive, complex and time-costly undertaking. Campaigns are difficult to measure and ROI is hard to prove. Often they are not cost-effective and sometimes fail.

**Solution:** Marketing doesn’t have to be expensive. A campaign that uses a badge as its main tool is fairly inexpensive. Of course, making it part of an integrated campaign, such as ours, adds some levels of complexity, time and cost – though online technology is fairly cost effective. The badge aims to drive people to a landing page on the Philanthropy UK website where those interested can find out more about the issues of promoting philanthropy and their part in that, as well as useful links to philanthropy resources and helpful organisations.

A badge, or indeed a t-shirt or cap bearing this slogan, if it worked as planned, would create a word of mouth campaign; a powerful and inexpensive awareness raising and influencing channel. The slogan lends itself to one-to-one, face-to-face conversations in which the wearer can tell their own stories of giving – all key factors in promoting philanthropy, as we have heard from the marketers we have interviewed. A good story has the scope to engage and inspire and excite online PR and marketing channels such as blogs, forums and websites, as The Giving Pledge has.

### Problem 4 - Philanthropy should be pleasurable

“Philanthropy has become too cerebral,” says Felicity von Peters of Berlin-based Active Philanthropy which has just launched a playful toolbox to help donors and advisors support other donors in their philanthropy (LINK to IDEO). ‘Fun’, ‘pleasure’, ‘reward’ and ‘enjoyment’ are important ingredients of philanthropy, as our articles show. Philanthropy is about passions, and involves the heart as well as the head. Philanthropists have never claimed to be altruists – they expect to enjoy their giving as they do it, along with the results of it.

**Solution:** The design of the slogan has at its centre a ‘heart’. It has associations with the phenomenally successful ‘I love New York’ campaign. New York is a classy brand synonymous with passion, enjoyment, pleasure and fun. In that sense there are authentic associations between the two.

### Will it work?

In short that is down to you. Dare you wear a badge that openly endorses philanthropy? Are you prepared to be part of the conversations it might provoke and point those interested to our website where they can find out more? How active do you wish to be? A badge, the archetypal symbol of activism, offers a prop that allows those who believe in philanthropy to add their voice to the ‘promote philanthropy’ campaign.

As Gavin Sheppard of The Media Trust says, we need to challenge convention in an age of ‘disruption’.

It may go beyond the bounds of taste for some – Philip Kotler, the pioneer of social marketing, acknowledges ‘poor taste’ as a criticism of all campaigns that apply marketing principles to driving culture change. But perhaps it’s time for tastes to change... in philanthropy just about everything else has.

We would welcome your feedback on this idea and your own ideas to improve this campaign or create another one. If you’d like a badge let us know.

Email: [editor@philanthropyuk.org](mailto:editor@philanthropyuk.org).

# My philanthropic journey

## The apprentice: *a philanthropist in the making*



Entrepreneur and family man,  
'apprentice' philanthropist  
Brian Fenwick-Smith with  
some of his 10 grandchildren

“Philanthropy is for me not just writing out a large cheque for a worthy cause. Most companies that give a budgeted sum to charities each year are not being philanthropic, they are corporate donors. Persons who contribute sums well within their means to appeals from their local church or old college are good citizens, not philanthropists.

I am, I think, a generous person both of my time and money. The first step of the journey was giving to members of the family, helping them find a job, paying for schooling, buying something for their house, and the like. Whatever it was, it required an involvement with the family, a wish to improve their lives. Thanks there were, but I did not need it. My satisfaction was in seeing the improvement in the life of these persons and the happiness that this brought to their nearest and dearest. This generosity is now spread well beyond the close family, giving time and money to support many or just to bring happiness to a lot of people who do not expect it or have a right to it.

The next step in my journey extended my giving to causes beyond an extended circle of family and friends to institutions with which I have close associations. I have

*“Giving to my old school qualified as philanthropy, I think, because I initiated the study, worked on the final definition and then paid for its completion.”*

given what for me were large donations to universities in the UK and USA, often to help promote the sports that I consider to be an important part of education – *mens sana in corpore sano*. In thanks to my old school – in spite of the incredible number of canings I received in the early years there – I was very happy to pay for a new boarding house which we defined in a series of meetings with some consultants as the first step needed for a total update of the facilities. The school has been going since 1514, and I want to ensure that it continues to attract good pupils and turn out well-educated citizens to ensure the future generations of our country.

But since having had a successful business career and being much less involved in business, I have developed the ambition to become a philanthropist. Philanthropy, as the name implies, means loving mankind and wanting to help make the world a better place. The philanthropist goes well beyond the generous person I above described; He identifies causes where he would like to help, and to this he devotes a lot of time and money, and not necessarily both at the same time or to the same cause. He is professional in his charity and wants to make it a

success. In my book involvement is an essential part of philanthropy, and there must be a sense of mission to it. Just giving large sums of money to an organised charity is usually not philanthropic unless one gets involved with the charity to help it in its work or fundraising or both.

By my own definition I am just an apprentice philanthropist. I have always wanted to promote education, as I see this – with medicine – as the prime way to improve this world. I applaud the Catholic Church for their schools in Africa, which I consider will do more to improve standards there than all the aid programmes. I also recognise that my own good education has been a foundation for my success in business. Giving to my old school qualified as philanthropy, I think, because I initiated the study, worked on the final definition and then paid for its completion. But it is very hard to extend this philanthropy to universities especially in the UK, unless you are going to give a very large sum that will require you to identify the object and then to be involved from the start in defining and completing it. Short of that, your university or college will chase after you, wine you and dine you, and then hope they will get a cheque which they can spend as they wish. So, with no ‘cause’ to get involved in, I decided as an avid book collector to get involved in the library of my old college and have given or bought them very valuable books that they could never justify using their limited funds to buy.

Now I am a potential philanthropist looking for a cause. But don’t write to me with your cause – it has to be born in me and become my baby.”

*Brian Fenwick-Smith*

*Born in Hull in 1935, and educated at Pocklington School in East Yorkshire, and St John’s College, Cambridge, Fenwick-Smith trained as a chartered accountant before switching to industry. He set up his own food processing company in Northern Germany among others before selling most in 1990 to concentrate on machinery and equipment for the pharmaceutical industry. By 2001 he had built this group into 31 companies spread around the world with over 1000 employees and sales of over €170m. After accepting an offer for the group, Fenwick-Smith now manages a few small companies and some major investments in private companies. He enjoys time with his family of four children spread around the world and 10 grandchildren.*



Melissa A. Berman, president and CEO  
of Rockefeller Philanthropy Advisors.



# A broader view

## Letter from America: *US Giving Pledge poses \$600bn question*

by *Melissa A. Berman*

“For the members of ‘The Giving Pledge’, being able to share ideas and inspiration will help get them onto the on-ramp for serious philanthropy more quickly.”

On 16<sup>th</sup> June, Bill and Melinda Gates – along with Warren Buffett – publicly asked the billionaires of the US to pledge the majority of their wealth to philanthropy. While they have begun with US billionaires, the trio hopes to expand ‘The Giving Pledge’ movement to their counterparts across the globe.

Analysts immediately began to calculate what success might mean in dollar terms, with estimates as high as an additional \$600bn (£398bn). Other commentators focused instead on the culture of contributions that this call to action might create. And some pundits were deeply sceptical – questioning whether half was enough; whether the money would be used well; whether most pledgers had already made the commitment; whether the goal was truly social good or only public relations.

All of those are fair questions, and we’ve heard our share of them at Rockefeller Philanthropy Advisors from donors, non-profit leaders and the media. And before we address the topic, we generally let them (and now you) know that we’ve been advising the Gates Foundation’s philanthropic partnerships team on this and other issues related to increasing philanthropy and its impact; we’ve also received grants from the Gates Foundation.

Certainly the most critical question is what difference ‘The Giving Pledge’ (*see [www.thegivingpledge.org](http://www.thegivingpledge.org)*) will make. There are already plenty of examples of philanthropists donating the vast bulk of their wealth in many cultures and eras. But the Gates-Buffett plan has some unique features that are worth focusing on.

First of all, there’s the timing. Over the past decade or so, awareness of and participation in philanthropy has grown. A growing expectation of philanthropic involvement is evident in the many programmes offered by banks and wealth managers for their clients around the world. Opportunities to understand, experience and get involved in issues around the world have been transformed by new technologies. Meanwhile, according to research by Edelman Public Relations, the recent economic debacle has challenged our confidence in the private and public sectors – but reinforced our belief in what the non-profit sector can accomplish. And solutions (like social enterprise and mission investing) that blend the for-profit and non-profit have dramatically increased appeal. Thus, the conditions are in place for a successful movement to galvanise those with significant resources to apply them to philanthropy.

Second, there's the peer community. Less attention has been focused on this, but 'The Giving Pledge' plans to hold regular meetings for its participants. The website will include statements from all those who have pledged. That's a tremendous source of encouragement and knowledge sharing. As Emily Dickinson told us, *"the soul selects her own society"*.

For the members of 'The Giving Pledge', being able to share ideas and inspiration will help get them onto the on-ramp for serious philanthropy more quickly. Peer to peer conversations and exchanges are incredibly valuable for this work. Believe it or not, many billionaires find themselves strangers in a strange land when they wish to embark on philanthropy that goes beyond giving to large medical, educational or arts institutions. Donor resources to help them realise their tremendous potential are far too scarce, or hard to find, we hear over and over.

That, from our perspective, is the great potential of 'The Giving Pledge': with broad agreement that philanthropy can make a substantial difference on critical issues, and with the creation of a new donor community, potential donors can both get involved and commit serious funds more quickly. 'The Giving Pledge' might be the accelerant we need for philanthropy's potential to be unleashed.

If that forecast holds, and "The Giving Pledge" is enormously successful in promoting philanthropy, what does that mean for those of us who provide philanthropic advice and counsel? More donors knocking on our doors? More donors answering the door when we knock? That could well be – but while a growth in philanthropic commitment may be a necessary component for the growth of philanthropy advice, it isn't sufficient.

For that to happen, we'll have to be able to demonstrate that we provide real value – that paying us isn't a diversion of funds from the ultimate beneficiary, but rather a way to ensure that funds go to the intended beneficiaries. First of all, we'll have to be able to demonstrate that having a strategy makes a difference, and that it's worth researching options to make better choices. We'll have to be clearer than ever about impact –

what it means, what can be assessed, what is currently beyond us. And we'll need to be clear about how philanthropy really works, how it intersects with public funding, how large the relative capital pools are, and when investment is a real option, not just a metaphor. None of us can do any of that alone, and so it's time for us in the philanthropic advisory world to make our own pledges to one another, and form our own peer community to share insights and ideas. Why should billionaires have all the fun, anyway?

*Melissa A. Berman is president and CEO of Rockefeller Philanthropy Advisors. [www.rockpa.org](http://www.rockpa.org)*

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*Dr Marta Rey is assistant professor of the School of Economics and Business of the University of A Coruña, Spain, and director of the Institute for Strategic Analysis of Foundations (INAEF).*



## *EuroView: What does philanthropy need marketing for? Getting perceptions right on the unknown*

*by Dr Marta Rey*

Over the last decades, academic, practitioner and policy interest in the philanthropic behaviours of individuals and households on the one hand, and on the activities of charities and other philanthropic organisations on the other, has grown exponentially. However, the advancement of multidisciplinary research on philanthropy has faced serious obstacles in Europe, and existing concepts and theories explaining it are still strongly US-based.

Public benefit purpose-foundations, being the typical philanthropic organisation in continental Europe, have been mainly studied from two different perspectives: as legal entities with a special fiscal regime and/or as institutions that perform certain functions for society. At the end of the day, the perceptions among researchers and practitioners resulting from both traditional approaches have turned out to be surprisingly similar. Foundations are perceived as independent economic capital agents, consisting of trusteeship of charitable gifts (the Anglo-common-law tradition) or a set of assets with legal personality (the Ancient Rome-origin civil-law tradition), which complement or substitute welfare state arrangements, redistribute income, promote social change, preserve traditions or foster innovation; among other 'public good' functions.

This archipelago-like perception of the foundation sector has resulted in neglect of foundations as research-worthy social or economic agents. Foundations, under the archipelago approach, are a marginal legal form to institutionalise economic capital, i.e. capital that is

immediately and directly convertible into money. Even the best-endowed foundations in the world may have limited budgets by comparison with a regional public administration, not to mention a state-wide. There is an inherent difficulty in mapping the archipelago of foundations existing across continental Europe, given not only national differences in legal and fiscal frameworks, but also the fact that most EU member countries do not have a central foundation register.

This ‘unmapped archipelago’ situation has led to a certain extent to a standstill in foundation studies, with the exceptions of few countries such as Germany, Spain and France. The Bundesverband Deutscher Stiftungen, the Spanish Association of Foundations through the Institute for Strategic Analysis of Foundations (INAEF), and the Centre Français des Fondations are leading the preparation of systematic directories aimed towards segmented analysis for the sector. Apart from the satellite account initiative for the nonprofit sector in general, some few courageous academics are surveying relatively small, non-random samples of foundations, generally selected among the largest in terms of endowment size, to estimate the economic dimensions for each country foundation sector. This means estimating the value to society of a wildly varied and rich forest – including not only trees, but also many bonsais – from the size and characteristics of the few sequoias existing. The picture

*“This ‘unmapped archipelago’ situation has led to a certain extent to a standstill in foundation studies, with the exceptions of few countries such as Germany, Spain and France.”*

arising from this exercise is not an accurate map and we still cannot answer the basic question of how many foundations exist in Europe and what do they do but, what is even more important over the medium term, we are completely missing the ecosystem where the trees are born, develop, and die.

My proposal to picture the whole foundation ecosystem would be to utilise two deeply rooted concepts in social science, i.e. social capital and relationship marketing in order to ultimately advance the discussion on why and how foundations are relevant for society. Foundations

paradigm the importance of ‘embeddedness’, that is personal and corporate relations and networks of relations in generating trust and allowing the proliferation of obligations and expectations. This form of social capital is productive, making possible the achievement of certain ends that in its absence would not be possible. The core of relationship marketing is the maintenance of value-adding, mutually profitable, long-term relations between organisations and the actors in its micro-environment. The group or network within which there is extensive trustworthiness and extensive trust is able to accomplish much more than a comparable group without that trustworthiness and trust.

Let’s take a look at some examples: the Gulbenkian Foundation in Portugal, the more than 70 foundations created by Spanish universities, and the corporate foundations created all over the world. The Gulbenkian Foundation is one of the biggest endowed foundations in continental Europe. Its greater value to society, however, probably lies in how effectively it leverages its relationships with the outstanding set of several thousands of former grantees and Fellows who acquired new skills and capabilities with its support and cut across every intellectual elite in Portugal, including for example a former Prime Minister. Most of the more than 70 public and private universities existing in Spain have created foundations. The relationship between universities and

university foundations enables employment programmes for graduates, R+D+i programme contracting with firms, volunteer programmes in less developed countries, networking with alumni... which would not be possible within the traditional university framework. And third, many firms have created foundations as a vehicle for implementing their corporate responsibility strategies. Foundations contribute to make these strategies credible. While they improve factor and demand conditions, the competitive context, or related and supporting industries for the firm they are connected to, they also create positive externalities benefiting other constituencies.

These and other samples that may come up to our minds prove that foundations can become effective generators of social capital if they successfully manage their relationships with relevant stakeholders so that long-term relationships based on trust are developed. I foster the idea that marketing should be used to its potential for managing successfully long-term relations between

foundations and other organizations and also individuals. A sound sense of marketing understood as client orientation helps foundations listen to stakeholders and understand their needs and expectations, and helps them also tailor programmes and projects which really can make an impact by helping fulfil those needs and expectations. A sound sense of marketing understood as value-mediated market orientation helps foundations build trust for partners and causes of their choice. A sound sense of marketing understood as the capacity to design win-win exchanges and collaborations helps foundations build long-term relationships with public and private agents who are key for social change and innovation. That is what relationship marketing is about. Marketing can help foundations complete a map for the archipelago and transform it into an understanding of the ecosystem they are part of. And last, but not least, marketing can help foundations in their fundraising... but this we knew already.

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► *[www.hks.harvard.edu/hauser/people/index.html](http://www.hks.harvard.edu/hauser/people/index.html)*



If you require any further information on these stories or have a social investment news item, please contact Adam Ognall, [adam.ognall@uksif.org](mailto:adam.ognall@uksif.org)

Adam Ognall  
deputy chief executive at  
UKSIF



# Impact investing

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

By Adam Ognall, UKSIF

The beady-eyed amongst you will have noticed that this column has changed its name from 'What's new in social investment' to 'Impact investing'. This has been done to reflect latest thinking amongst leading players that the term 'impact' best describes investments whose primary motive is to address a social and/or environmental challenge.'

### **Social Investment Task Force publishes final report**

The Bond raises capital for investment in the social sector, with financial returns to investors based on improved social outcomes. The first issue works to reduce re-offending rates in Peterborough. The Ministry of Justice has agreed to make payments to investors in the event that re-offending is reduced below an agreed threshold.

► [www.socialfinance.org.uk](http://www.socialfinance.org.uk)

### **Aros Capital Partners launches social investment fund**

The Altru Fund will make debt and equity investments in eight to 10 companies with a high social impact. The fund is aimed at charities, pension funds and private investors.

► [www.aros.cap.com](http://www.aros.cap.com)

### **Arcubus City of London microfinance fund launched**

It aims to raise £1m in 2010 for microfinance in Africa through donations and investments into a Social Investment Bond issued by Citylife Ltd. The funds will be channelled to a partnership of microfinance NGOs.

► [www.arcubus.com](http://www.arcubus.com)

### **Investors' Guide to Impact Investing launched**

The guide by Bridges Ventures and the Parthenon Group presents a system for cataloguing investment opportunities using a tradition asset allocation model. It documents 30 case studies to illustrate the diversity of opportunities by asset class, risk and investment motivation.

► [www.bridgesventures.com](http://www.bridgesventures.com)

### **Charity Bank launches 'PFI' finance scheme for community projects**

The pilot scheme aims to finance community projects, in a similar way to the private finance initiative for public sector building contracts. Charity Bank has reported that its financing in 2009 grew 31% to £36m.

► [www.charitybank.org](http://www.charitybank.org)

### **Carnegie Commission calls for new financing tools for civil society**

In 'Making Good Society', the Commission of Inquiry into the Future of Civil Society highlights how social investment can drive civil society activity. It was chaired by Geoff Mulgan and supported by Carnegie UK.

► [http://www.carnegieuktrust.org.uk/publications/making\\_good\\_society](http://www.carnegieuktrust.org.uk/publications/making_good_society)

### **Oikocredit reaches €1 bn in committed loans and investment**

The microfinance financing institution has announced capital inflows in 2009 of €63 million and a growth in assets of 13%. It plans to continue paying out a 2% dividend to its investors.

► [www.oikocredit.org](http://www.oikocredit.org)

### **Good Deals 2010 Social Investment Conference: 15-16 November**

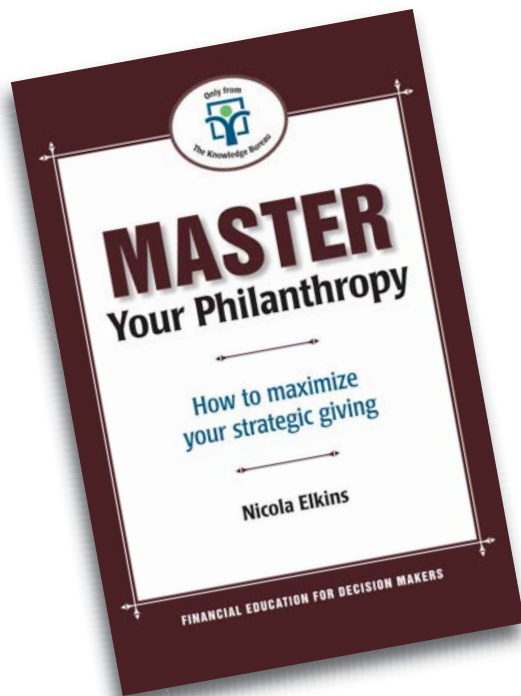
Good Deals, in its third year, has been expanded to run over two days. It will bring together social entrepreneurs with innovative investors.

► [www.good-dealsuk.com](http://www.good-dealsuk.com)

# Publication reviews and notices

## review

by Beth Breeze, publications editor



***Master Your Philanthropy:  
How to maximize your strategic giving***  
**Nicola Elkins**

Winnipeg, Canada: Knowledge Bureau, Sept 2009.  
118pp. Softback. ISBN 978-1-897526-30-9. £14.90.  
[www.knowledgebureau.com](http://www.knowledgebureau.com)

We Brits are well used to being on the receiving end of advice from across the Atlantic Ocean on how to ‘do’ philanthropy. However, this compact volume is not from our American cousins but their northern neighbours in Canada. This book therefore provides an education in the Canadian perspective on philanthropic issues, as well as being a useful primer for philanthropists in any part of the globe who want to explore some of the important trends in contemporary philanthropy and develop their own plan for undertaking strategic giving.

The book has a very straightforward format and the nine chapters follow a sensible structure for navigating key issues faced by philanthropists. Each chapter begins with a ‘real life’ scenario of someone facing a philanthropic challenge, which is resolved with advice, tips and solutions in the ensuing pages. The first chapter provides

a brief description of the size and shape of the charity sector in Canada, on the basis that the best allocation of philanthropic resources requires an understanding of the overall philanthropic landscape. Later chapters cover a wide gamut of issues including tax planning, aligning personal and family values with a strategic plan, undertaking research and setting achievable objectives, harnessing a family business to pursue philanthropic objectives, and running a grant-making foundation.

A particularly useful chapter lists and discusses the various ‘ways to give’, noting that there are now many alternative approaches available for philanthropists. Donors can support a charitable organisation directly or set up their own foundation; they can give time and skills by volunteering, as well as (or indeed instead of) giving money; they can establish a new charitable organisation or set up a social enterprise; and they can choose to operate at the cutting edge of 21st century philanthropy by pursuing venture philanthropy, micro-financing and socially responsible investment approaches.

Another important chapter focuses on monitoring and evaluating philanthropic impact, in order to ensure they are “achieving their intended impact” and “making a positive difference”. The advice in this section refers back to the groundwork laid in an earlier chapter on ‘Selecting

your Cause', which counsels donors to review organisations doing work in their chosen area and support those able to demonstrate good financial management and proven effectiveness. Having undertaken due diligence in the selection of beneficiaries, tracking the progress of philanthropic investments should then involve ensuring the recipient organisation continues to manage its finances appropriately and maintains progress toward solving the problem it identified. Refreshingly, this book acknowledges that measuring philanthropic impact is no simple task and that "evaluation can be hard to do", not least because many other external factors can influence outcomes for better and worse. Inadequacies in the evidence base for philanthropic giving mean that "anecdotal evidence, visits to services and the success stories of users will remain powerful influences on giving".

A concluding chapter on 'succession planning' argues that robust plans should be put in place for the transition of both wealth and charitable intentions. This book suggests there is a high price to pay for failing to hand on family values and a work ethic alongside large sums of money as, "many children of the wealthy suffer from 'affluenza' – lack of ambition or aspiration brought on by a life of wealth and privilege". The key factors behind successful

succession planning are said to involve starting early, especially when larger and more complex philanthropic strategies are in place, and striving to involve all relevant family members: "making the effort to get their input and involving them in the planning process will help to foster commitment and get family members to take responsibility for the honour of philanthropy". Appointing successors to positions on the board of family foundations and arranging for them to spend time having direct experiences with the charitable organisations that are recipients of donations are also recommended strategies, "to ensure your legacy and wishes are not challenged from the grave".

The author, Nicola Elkins, concludes that thinking strategically about philanthropy, taking advantage of tax incentives and learning from other philanthropists and advisors is "the smart thing to do", but that it will also bring greater happiness to an individual's life. Drawing on research into correlations between philanthropy and levels of satisfaction and happiness, she cites: "people who give money to charity are more likely than non-givers to say they are very happy and the more people give, the happier they get... Giving delivers direct psychological and physiological benefits".

At just over 100 pages long, this book cannot provide an in-depth exploration of all the issues, but it is a handy primer for people starting to think seriously about their giving, and provides a readable insight into the current thinking in Canadian philanthropy.



## Influential reading: *Dr Astrid Bonfield*

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 Dr Astrid Bonfield, chief executive of The Diana, Princess of Wales Memorial Fund. She can be contacted at [astrid.bonfield@memfund.org.uk](mailto:astrid.bonfield@memfund.org.uk)

### ***Astrid says:***

"The first of the three books that still inspires me in my work today is the history book I read and re-read as a child ***People in History*** by R.J. Unstead. One chapter describes the life of Elizabeth Fry and I remember being engrossed by the story of a woman who bravely defied the traditional roles for women of her class and time by going into Newgate prison to work towards improving conditions for the women and children housed there. Her humility and quiet determination is echoed today in some of the other inspirational prison reformers I am lucky enough to work with through The Diana, Princess of Wales Memorial Fund's programme with Prison Reform Trust to reduce child and youth imprisonment. It reminds me that quiet words spoken to power can still be an effective strategy for creating positive change, although it is intolerable that such reform is still needed over 180 years after Elizabeth Fry's death.

My second choice is Dr Deborah Rose's ***Dingo Makes Us Human: Life and land in an Australian Aboriginal Culture***. It is a warm and humane book by a social anthropologist who spent time living in an Aboriginal community in the Victoria River Valley of the Northern Territory of Australia. It is one of the few ethnographies where the author evokes what it feels like to live with



*Astrid Bonfield*

another culture rather than dryly describing their cultural practice.

She writes:

*'The small Aboriginal settlement known as Yarralin had a different appeal. In a broad but superficial view it looked like the setting for a documentary movie on fourth-world misery, featuring poverty, neglect, abuse and disease. On looking closer, I found aspects of Yarralin that seemed inexpressibly sweet to me because they reminded me so clearly of the shanty town near which I had lived when I was a child in Wyoming. Here were the same remains of broken down cars with smashed out windows, car seats with springs poking through serving as outdoor couches, discarded clothing, and a seeming proliferation of children and animals. Here, too, were the signs of care which transfigure images and illuminate people: a tiny plant carefully surrounded by wire, babies in lacy pastel dresses.'*

Her book inspired me to go to Australia and live with an Aboriginal community in Arnhem Land during my own fieldwork in the 1990s. I met Deborah in Darwin just before travelling to Gapuwiyak, and vividly remember both her helpful, practical encouragement and her waist length plait.

Social anthropology provides an excellent training for philanthropists and those who work in the foundation sector. We so often engage with groups who are 'other' to ourselves and it is easy to make assumptions about their motivations and world view. Taking time to listen and observe, in order to avoid making assumptions based on

our own cultural paradigms, is critical to successful programming. The notion of development can be problematic in these terms, because it sometimes implies a kind of inevitable progression of human society towards western democracy and capitalism. In fact our learning and effectiveness can be greatly enhanced if we seek to understand non-judgementally the value base of other cultures and people, be they hunter gatherers in Arnhem Land who value kinship and ceremony and their link to the land or like the burka wearing, gender officer who worked tirelessly for women I met during project visits to Chitral in Northern Pakistan.

For the Yolngu of Gapuwiyak everything is communally owned and thus goods have little value. This is one reason that Aboriginal settlements are littered with broken furniture and abandoned cars. If the good itself has little cultural value, it is simply discarded when broken. I found it so difficult at the beginning of my fieldwork amongst the Yolngu not to care as my clothes gradually disappeared from my rucksack to be worn by my adopted sisters, but I got there in the end. They weren't taking what was mine, but using what was ours and I just needed to understand the cultural norms around ownership before I could deal with it (although not necessarily like it!). I try to remind myself of this in our programming today, particularly our palliative care initiative in sub-Saharan Africa – do we know enough about the context and values of those we seek to work with to be effective as we can to improve their lives in a way that is meaningful and lasting for them?

My final book is **Just Change** by Diana Leat who reminds us that:

*'...amidst all you will learn of the many recurring themes in foundations' work; the suggestions for achieving wider and sustainable change; and the lesson that sometimes to achieve social justice, grantmaking really does mean manning the barricades; there is a further and simpler message at the heart of Just Change. This is that achieving impact is primarily an attitude of mind, and one that can be delivered through small but well chosen significant change. Thus we all may have the potential to make a difference, and it doesn't need us to be large scale, or long in the philanthropic teeth to do so.'*

This quote so well encapsulates the approach of The Diana, Princess of Wales Memorial Fund as we attempt – through our grantmaking, policy work and collaboration with others - to work towards systemic change. Leat reminds us that we can make a difference and that we, with our enormous privileges as grantmakers, have a duty to try to do so."

# notices

by Beth Breeze, Publications Editor

## Wealth and the Will of God: Discerning the Use of Riches in the Service of Ultimate Purpose

Paul G. Schervish and Keith Whitaker

A new book by Paul Schervish is always likely to be a development of interest to people who study and care about philanthropy, as he is one of the most eminent experts on this topic. The book, co-written with Keith Whitaker, has an explicitly religious angle, exploring some of the spiritual resources of the Christian tradition that can aid serious reflection on wealth and giving. Six chapters focus, in turn, on six thinkers who have written about the ultimate purposes of human life: Aristotle, Aquinas, Ignatius, Luther, Calvin and (probably less well known to a UK audience), Jonathan Edwards, an 18th century American preacher. The notion of ‘moral biographies’ is described as a means for integrating an individual’s personal capacity and moral outlook in order to ‘live well’ and achieve their own ultimate ends. As an endorsement on the book jacket notes, this book: *“brings a philosophical and theological perspective to questions about motives for and practices of giving that is little evident in the extant contemporary literature on philanthropy”*.

Bloomington, Indiana: Indiana University Press, May 2010. 210pp. Softback. ISBN 978-0-253-22148-3. \$65. <http://iupress.indiana.edu>

## Civil Society, Philanthropy and the Fate of the Commons

Bruce R. Sievers

According to the back jacket text which echoes statements made by many politicians: *“Among the greatest challenges facing humanity in the twenty-first century is that of sustaining a healthy civil society, which depends upon managing the tension between individual and collective interests”*. This slim but ambitious volume attempts to clarify the concept of ‘civil society’, provides the historical backdrop to the contemporary challenge by tracing the development of civil society and philanthropy in the West, and offers an analysis of their role in solving the problems faced by modern liberal democracies. Sievers argues that the first civil society was the 17th century Dutch republic – an unusually Eurocentric view for a US-based academic! This is a significant book on an important subject that repays careful reading.

Medford, Massachusetts: Tufts University Press, 2010. 205pp. Softback ISBN 978-1-58465-895-5. £28.50 [www.upne.com](http://www.upne.com)

## A Practical Guide to International Philanthropy

Jonathan R. Moore

According to the publisher, this book is a practical guide addressing the issues faced by philanthropists seeking to engage in international charitable activities and offers alternative approaches to traditional US-based foundations. A significant portion of the regulatory burdens facing US private foundations derives from tax benefits available to donors under US law. A charitable organisation must initially qualify and then be maintained under a complex regulatory regime. If some or all of these tax benefits are either unavailable or not needed, or if the tax advantages are outweighed by the burdens of regulatory compliance, foundations can be established in foreign jurisdictions. Charitable activities can then be operated flexibly and privately outside the constraints of the US regulatory regime. For existing private foundations, this book suggests strategies designed to hedge against ever-increasing and intrusive regulation.

Cambridge: Cambridge University Press, Nov 2009. 380pp. Hardback ISBN 13-978-0-521116411. \$80. <http://www.cambridge.org/us/catalogue/catalogue.asp?isbn=9780521116411>

*“Once we realize that imperfect understanding is the human condition there is no shame in being wrong, only in failing to correct our mistakes.”*

George Soros, Hungarian born American Philanthropist and Stock Trader, b.1930

## Scaling up for the 'Big Society'

*Martin Brookes, Tris Lumley  
and Esther Paterson*

This short report, entitled an 'NPC Perspectives' paper, is a quick response to the issues raised by the creation of the new coalition government. The new government faces entrenched social problems and the challenge of reducing the budget deficit. Its 'Big Society' idea seems to imply a beguilingly simple solution: use charities to fix social problems and at the same time reduce government borrowing. In this short but important paper, NPC argues that charities and social enterprises have an important role to play if this idea is to become reality. The paper also suggests ways to assess evidence of impact and social benefit, and provides guidance on what to scale up and how to do it.

New Philanthropy Capital: London, May 2010. 15pp.  
Free to download at  
<http://www.philanthropycapital.org/download/default.aspx?id=1112>

## How Donors Choose Charities

*Beth Breeze*

This is the first full-length report to be published by the UK's new Centre for Giving and Philanthropy. Based on interviews with committed donors, it explores how people define charity, what they think about charitable beneficiaries, and how they choose between the tens of thousands of charitable organisations that seek their support. It concludes that, despite widespread assumptions that need is the primary driver of charitable donations, four non-needs-based factors influence giving decisions: donors' tastes, personal experiences, perceptions of charities' competence and a desire for personal impact.

London: Centre for Giving and Philanthropy, June 2010. 60pp. Available online at [www.cgap.org.uk](http://www.cgap.org.uk)

# Association of Charitable Foundations

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