

philanthropy|uk : newsletter *inspiring giving*



Dame Vivien Duffield:
My philanthropic journey

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

Also in this issue:

Outlook 2009:
what will happen to philanthropy?

Matthew Bishop:
on the upside of the downturn

Melissa Berman:
the view from the US

plus
Ken Burnett's top tips for fundraising in a recession

welcome

Welcome to the December 2008 issue of the *Philanthropy UK Newsletter*. As 2008 comes to a dramatic finish, the market turmoil rages on, and is now reaching donors and charities in all corners of the globe. In this issue we look forward to 2009, exploring the outlook for philanthropy in the economic downturn.



The opening article, 'The £10.6 billion question', offers an overview of what we are 'hearing on the street', and makes the case that elite philanthropy will prove more resilient than the sector expects.

This "cautious optimism" is supported both by historical evidence ('What gives in a recession?') and by the emerging philanthrocapitalists, as argued by *The Economist's* Matthew Bishop ('A great giving opportunity'), whose new book, with Michael Green, is also reviewed in this issue. Meanwhile, in the Letter from America Melissa Berman looks at how donors are responding on the other side of the pond.

We are very pleased to welcome a contribution by Dame Vivien Duffield, who reflects on her experiences as both a philanthropist and a fundraiser, and how the current economic climate is impacting her giving.

Finally, we offer some advice for charities from the many philanthropists we interviewed for this issue, as well as some top tips from fundraising guru Ken Burnett ('When the going gets tough').

Wherever you are on your own philanthropic journey, we want Philanthropy UK to continue to be a useful guide and valuable source of support and encouragement for you. This Newsletter could not exist without the willingness of all our guest contributors to share their

ideas and knowledge, and we are very grateful to them for their help and support.

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

On behalf of the Editorial Board, I wish you a healthy and philanthropic 2009!

Best wishes,

A handwritten signature in black ink that reads "Susan". The signature is fluid and cursive, with a large 'S' and a long, sweeping tail.

Susan Mackenzie

Managing Editor

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Ben Eyre*

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

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Outlook 2009: *philanthropy in a downturn*

The £10.6 billion question

By Susan Mackenzie

Philanthropy UK is grateful to the many philanthropists and advisors who contributed their thoughts and experiences to this article.

It is only a matter of time until the statistics officially confirm what many of us already know: the UK is in a recession. Headlines in the third sector press are full of doom-and-gloom, and charities are bracing themselves for dire circumstances and worrying that charitable giving – which, before the banking crisis, grew 8% yr/yr in real terms, to £10.6 billion for 2007/8¹ – will fall off a cliff.

This concern is not completely unfounded. Portfolio values have dropped precipitously, with 20%-40% losses not uncommon, and jobs have been lost or are threatened. But worse than the dramatic fall in asset values is the uncertainty: it is difficult to plan when market volatility is so high that there is little visibility for next week let alone next year. And we know from our own research (*Why Rich People Give*, 2004), that feelings of financial insecurity are a real barrier to giving.

In the face of so much uncertainty, it simply is too early to tell what the real impact will be on charitable giving. Still, whilst the evidence so far is mixed, the severity and speed of the economic downturn suggest that the sector will most likely face a difficult fundraising environment over the next 12-24 months.

The £10.6 billion question is, “*How bad is it?*”

Rose-tinted glasses

Fortunately, the panic pervading the sector is not mirrored in the donor community, although funders are being cautious. Here at Philanthropy UK we remain cautiously optimistic about charitable giving, for a number of reasons.

First, historically, swings in giving tend not to be as dramatic as swings in the broader economy (see ‘*What gives in a recession*’, in this issue). While people may cut back on their giving in a recession, they give more of what they have. Foundation grants also generally prove resilient in a downturn. A survey of Association of Charitable Foundations members underscored the importance of the long-term view of endowed foundations, who “*predominantly fund for perpetuity and [so feel that] current circumstances need to be viewed with a longer lens*”.

And, whilst corporate giving is more likely to suffer, as it is directly tied to profits, community programmes usually remain a priority. Catherine Sermon of Business in the Community commented, “*The will is not diminishing, but the means are.*”

The outlook for individual giving is more mixed. Charles Mesquita, Charity Specialist at Rensburg Sheppards Investment Management, explains the widespread caution: “*People have been tightening their belts over the last six months or so, and there is less disposable income. This will inevitably impact giving. The current economic situation is affecting all strata of society – people are likely to remain cautious for the next year or so.*”

However, a number of advisors report that client demand for philanthropy services remains strong. Tanja Jegger, Head of Philanthropy at Stonehage, the wealth manager, says that, *“We have on balance seen greater demand for philanthropy services this year, with a strong pipeline for 2009 in the UK, Switzerland, Israel and South Africa, which is very encouraging. In particular, donors are showing increasing interest to collaborate with peers to optimise the efficiency and impact of their giving.”* Clive Cutbill, a Partner at Withers Worldwide, the law firm, observes, *“Commitment and recognition that money is needed now probably keeps many giving.”*

At private bank Coutts & Co, Maya Prabhu, Senior Philanthropy Adviser, says, *“We are relatively bullish that philanthropy amongst wealthy individuals will remain high on their agenda based on the continued interest our clients have shown in giving both time and money and their requests for advice on how to channel this most effectively.”*

And Heather Maizels, Advisory Board director of Barclays Wealth, is also cautiously optimistic, *“Frequent unexpected events have undoubtedly impacted client sentiment. But for those clients who are riding the storms well, have significant capital and are minded to make significant donations, they are even more committed to the need to do this.”*

Moreover, whilst there are likely to be far fewer company sales or other ‘liquidity events’ in the near term, there already has been a lot of wealth transferred to charitable foundations or donor advised funds, such as charity accounts at community foundations or CAF, and all of these (albeit reduced) contributions will make their way to good causes. The *Coutts Million Pound Donors Report*, published last month, found that over

half (56%) of the value of donations worth £1m or more made last year were ‘banked’ in trusts and foundations, rather than ‘spent’ on charitable activity.

Similarly, pledged gifts generally remain firm, and Philanthropy UK does not know of any pledges that have been rescinded completely. A few donors are renegotiating the terms of major gifts, but this is more likely to be extending the length of time over which the gift is paid out, rather than the total amount of the gift.

So, while the capacity of donors to give may have decreased, their commitment to the sector has not. They remain passionate about their philanthropy, and recognise that charities, especially now, need their support.

Vitally, not all philanthropists plan to decrease their giving. The Director of the Wates Foundation responded, *“As a grant-maker, the trustees believe that we have a responsibility to continue to support the sector with new awards at a time when the average charity is most likely to be hit by reduction in income.”*

Meanwhile, a number of philanthropists noted that they will not decrease their giving because they remain focused on longer-term plans.

Sir Ian Wood, Chairman of the Wood Family Trust in Scotland, told Philanthropy UK, *“We are working with pre-allocated funds on long-term plans. We’ve always been focused on fewer charities looking at clear measurable impact and we always seek to leverage our funding wherever possible. Our position on this has not changed.”*

A London-based philanthropist responded similarly: *“I have commitments which I intend to honour, especially when there is even greater need in these difficult times.”*

A recipient of a Shivia Microfinance loan in the Hooghly district, north of Kolkata. She is making baskets to sell to the wholesalers and she will use the money to further her business working with the village in which she resides.

Photo © Shivia Microfinance



“My giving will not change as I have long-term strategic goals and set aside funds to achieve those goals during the bubble.”



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

Photo © Phil Bender/BirdLife International

Philanthropist Dame Stephanie Shirley commented, “We will maintain our grant giving, even if this means eating into our foundation’s capital. All our planned expenditure (on the scale of last year’s £1.25m) is held in cash.”

Doug Miller, founding trustee of the European Venture Philanthropy Association, added, “My giving will not change as I have long-term strategic goals and set aside funds to achieve those goals during the bubble. My investments in philanthropy have increasingly become strategic, looking at ways to leverage my involvement and to affect the dynamics of the whole sector.”

And, at a time when many people are re-evaluating priorities, David Gold, chairman of A Glimmer of Hope UK foundation and of the Philanthropy UK advisory board, argues for taking a holistic approach to portfolio management: “At a time when people are looking at their investment portfolios, maybe they can take the time to reevaluate their position. Paper wealth was created at speed and lost at a faster rate. Investing in charities would have yielded a higher social return and an improvement in human capital... and it may have been fun too!”

So what gives?

While some philanthropists foresee no change of plans, others are considering changing the way they give, if not the amount. Donors told Philanthropy UK that they are likely to be even more focused on impact, efficiency and leverage, accelerating the ‘new philanthropy’ movement.

Katharine Barber, director of the Capital Community Foundation, reported that, “While it is proving much more difficult to diversify our donor base in this climate, the incentive of our £-for-£ match funding leverage has

worked in mobilising donors with whom we already had a relationship, and so seems to have had a certain recession-beating impact.”

Some philanthropists indicated that they are less likely to fund outside their favourite causes, or that they will curtail expansion and new initiatives. Charities are likely to find prospecting for new donors especially difficult. Lyn Shears, a philanthropist focusing on local causes in the Northeast, explained, “As we will have less income from our endowment, and are already committed to a number of three-year grants, we are less likely to take on new pledges and commitments.”

Sheetal Mehta, co-founder of Shivia Microfinance, responded, “We will be more focused on the projects we work with and go deeper into the specific deals rather than try to work on the surface with many organisations.”

Others may respond to the changing economic environment by focusing on different causes they feel are more vulnerable in a downturn. Alan Hodson, a director of The Funding Network, said, “I may be more likely to give to UK charities as the recession is creating even more need, and I’m keen to encourage individuals or groups who are showing commitment to resolve issues within our local communities.”

Steven Dawson, founding chairman of venture philanthropy Impetus Trust, commented, “Charities dealing with poverty in all its forms will need more resources in a downturn. There is also increasing concern about the lack of progress on social mobility. This may even get worse as unemployment rises, leading to increased risk of social unrest. It is important for donors to at least maintain their giving to combat these trends.”



The IntoUniversity FOCUS Programme offers young people learning experiences which aim to immerse them in a single topic or subject area. The charity is funded by Impetus Trust.

Photo courtesy of IntoUniversity

Another venture philanthropist summarised, *“The economic downturn is likely to affect my giving in complex ways. This could involve focusing my support more, exploring avenues that help disadvantaged communities weather the global downturn, and expecting charities I support to deliver their work more cost effectively and creatively.”*

Additionally, a number of philanthropists we spoke to noted that it will be especially important for charities to avoid replicating others' work and collaborating wherever possible. Andrew Hind, chief executive of the Charity Commission, noted at the NCVO Recession Summit in November, *“One of the single most important things charities can do in a recession is to seek opportunities for collaborative working and mutual support.”*

Finally, whilst charities (in England and Wales at least) anxiously await Government's action plan for the sector, to be announced in the New Year, they should take note that some of its previously announced plans may already be having an impact. The new 45% tax rate (or 47% with incremental national insurance) may stimulate more giving by the wealthy, but it also may sway some committed givers to hold off on donations until the new rate takes effect in 2011.

Towards effective giving

These are, indeed, extraordinary times. Yet, as history shows, recession does not portend the end of philanthropy. And the UK clearly has many committed, passionate and engaged philanthropists who recognise the need and are responding to the best of their ability.

We do however need more such role models – more donors willing to 'stick their head above the parapet', to share their experiences and to inspire others to become more philanthropic.

In the current environment, when the needs are even greater, donors have an opportunity to make an even greater impact. Private individuals can take risks, and operate at a speed, with which government and other funders simply cannot. This might involve helping a charity acquire assets at good value, or being more flexible with their support, for example by making unrestricted grants or allowing project-related funding to be re-allocated to core expenditure. There are also opportunities to be more strategic, such as by helping to bring about sensible mergers in the voluntary sector, rationalising services and building necessary scale.

A Capital Community Foundation grant funded a project by Art So Simple to break down inter-cultural barriers between different groups in the area through group play and learning.

Photo by Pennie Tweedie, © Capital Community Foundation

Still, good philanthropy does not always need to be 'strategic' to be effective: 'charity' is still important, especially as the recession is causing real hardship.

There are many ways to have an impact:

Impact is the social return on your investment in a disadvantaged community; it is the standing ovation at the performance of a musician you have supported; it is inspiring others to give. Impact is a park preserved; a patient cured; a diploma earned; a mouth fed. Impact is helping a woman gain the self confidence she needs to start her own enterprise; it is the smile on the face of a young cancer patient, simply because you showed up; it is your own satisfaction in knowing you have made a difference. (A Guide to Giving, 2nd ed.)

Good philanthropy is about having the right mix of heart and mind and knowing that, whatever the size of the donation, what really matters is the size of the impacts that are achieved.

¹ UK Giving 2008, published by NCVO and the Charities Aid Foundation.



The view from the Continent

Professional advisors across Europe report a similarly mixed outlook for philanthropy.

In the Netherlands, Jacqueline Detiger of Filantropia notes that declines in foundations' assets vary widely (by 4%-23%, as reported in *De Volkskrant*, a Dutch newspaper), and that, while they will continue with existing projects, some foundations will not start any new projects in the near term.

Meanwhile, Rosa Gallego of the Association of Spanish Foundations says that it is too early to tell what the impact will be in Spain. The number of their new foundation members increased in 2008, but the first, albeit indirect, test will be when memberships come up for renewal in January.

Polish donors may benefit from lower income tax rates in 2009, making more money available for philanthropy. However, Agnieszka Sawczuk of the

Foundation for Poland observes that many wealthy individuals do not distinguish between their personal and their business wealth, and so giving may yet still decline. She suggests that donors may seek to have more impact by focusing on fewer organisations and leveraging their support.

In Switzerland, philanthropy appears to be relatively resilient, at least for now. Heiko Specking of VALUEworks, a multi-family office, reports continued strong interest in philanthropy amongst clients: "They see opportunity in the crisis, leading to new outlooks, and may for instance refocus their engagements to areas not supported by government or other funders."

Etienne Eichenberger of Geneva-based wise philanthropy advisors has seen "only minor-to-no change" in plans by clients, and "remains optimistic about 2009."

What can charities do?

Philanthropy UK asked our philanthropist contributors what charities could do to encourage them to continue to give or to give more. Their responses offer no surprises, and indeed, represent good practice in any economic environment.

Above all, donors want charities to be effective and efficient. Transparency and accountability are crucial, and charities must be able to demonstrate their impact. They also need to pay attention to their own organisational development, governance, and financial management: *“Diversify funding sources, watch expenditure and squeeze out ‘unnecessary’ costs”*.

Charities should remain focused on their mission, but be clear about what value they are adding: *“Don’t replicate, and collaborate wherever possible.”*

When approaching a donor, be clear about the ask: what do you want the donor to support, and what value can they add to your organisation that others cannot? Be compelling.

Finally, recognise that philanthropy is a social relationship, and not merely an economic transaction. Take good care of your existing supporters (especially as prospecting becomes more difficult). They are hurting too, but if you engage and inspire them, they may just yet rise to the challenge.

Also see Ken Burnett’s appeal to fundraisers in this issue.

“Charities dealing with poverty in all its forms will need more resources in a downturn... It is important for donors to at least maintain their [level of] giving.”



“Individual giving is hard to characterise because it is not homogeneous.”

What gives in a recession?: a historical perspective

By Ben Eyre

Anecdotal evidence is the basis of many varied opinions on what will happen to philanthropy in a forthcoming recession, and depending on who you speak to, giving might hold, or it must fall disastrously. A historical perspective, however, offers a balanced, quantifiable view of what trends may emerge.

Studying the impact of previous recessions on giving does not provide detailed information, because there is little trend data on giving in recessions in the UK. However, the global historical perspective can quell fears of a cataclysmic drop in individual, foundation and corporate giving.

Recent Giving USA¹ research shows a mixed picture of what happens to individual giving during recession. It identifies 15 years with at least one month of recession between 1967 and 2007. On average, giving fell by 1% during those recession years, after adjusting for inflation. However, in nine of those 15 years, giving, adjusted for inflation, rose or stayed at a similar level.

There is no more proof of a strong link between economic conditions and giving in evidence from outside the US. According to data from Imagine Canada², individual giving went up during each of the four recession years between 1984 and 2006. Giving fell in 1994, after three consecutive years of recession, although the economy grew in that year.

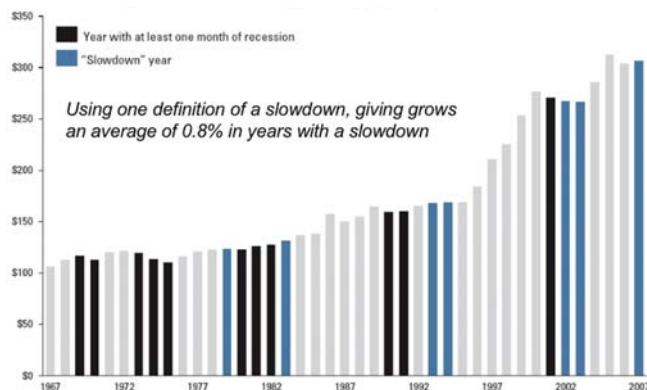
Similarly, individual giving did not grow or shrink with the economy in the UK between 1974 and 1994. Although the economy grew, the proportion of households who gave to charity fell. There was an increase in giving in only four years: 1980, 1984; 1986 and 1991. Two of those, 1980 and 1991, were recession years.³

Individual giving is hard to characterise because it is not homogeneous. Cathy Pharoah, co-director of the ESRC Research Centre for Charitable Giving and Philanthropy at Cass Business School, said, “*Certain constituencies of giving, such as faith-based groups, may increase their giving or sustain it better than other donors. Their giving is less directly linked to levels of surplus wealth they feel they have.*”

Major donations do seem to follow the economy more closely, but there typically is a significant lag between change in the economy and change in giving. The Center on Philanthropy at the University of Indiana recorded all US gifts of over \$1m reported in the media between 2000 and 2007 in a ‘Million Dollar List.’⁴ Although 2001 and 2002 were recession years, the number of gifts fell by only 10 in 2001, then 185 in 2002 and a further 57 in 2003. It took until 2005 to get back to 2001 levels.

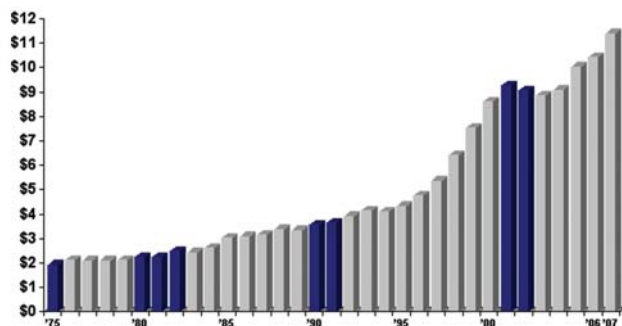
Gifts of this size seem to follow the economy in a similar way to grant-making by charitable foundations, which have generally proved resilient. In the US, grant-making did not fall during three consecutive recession years, 1980-83, and then in 1984 it dropped by just 3.3% in real terms. During the recession in 2001/02, grant-making declined by only 1.8% in 2002, in real terms.⁵

Inflation adjusted giving (US)



The black bars indicate years with a month of recession. Giving does not go down during all recession years. It rose or stayed stable (adjusted for inflation) in 9 of the 15 years on record with at least one month of recession. Source: Giving USA 2008, Giving USA Foundation™

Foundation giving 1975-2007 (US)



Source: The Foundation Center, Foundation Growth and Giving Estimates, 2008. Figures estimated for 2007.

Similarly, when grant-making by charitable foundations falls in the UK, it does not drop dramatically. Following recession in 2001, grant-making did not decline until 2003/04 and then fell by only £59m, or 4%.⁶

Whilst corporate giving tends to follow economic conditions more closely than does giving by individuals or foundations, it does not necessarily drop dramatically, or suddenly, in recession. In a 1993 study of charities following the 1990/91 recession, the Charities Aid Foundation found that, 35% reported they had less support from corporate donors, 45% had the same support and 8% increased support.⁷

Karl Wilding, head of research at NCVO, said, “Evidence from the US suggests that corporate donations decline in recession years, but there is some evidence from the UK that suggests changes in profit do not translate into proportionate changes in corporate philanthropy.”

Additionally, during recession years when other types of giving fall, corporate giving can buck the trend. In 1982, corporate giving rose by 11% in the US, whereas individual and foundation giving fell by 2.4% and 3% respectively.⁸

Although evidence from previous recessions is complex and sometimes contradictory, it generally shows that any drop in giving is unlikely to be large, or sudden. The historical perspective suggests that the most extreme fears and hopes for philanthropy are unfounded.

- 1 Giving USA 2008, www.givingusa.org
- 2 Imagine Canada, Trends in Individual Donations, 1984-2006
- 3 NCVO, Trends and patterns in charitable giving: evidence for the UK, 1974-1994
- 4 Center on Philanthropy at University of Indiana, Million Dollar List
- 5 The Foundation Center, Foundation Growth and Giving Estimates, 2008
http://foundationcenter.org/gainknowledge/research/pdf/fy2008_highlights.pdf
- 6 Ed. Cathy Pharoah, Charity Market Monitor, Vol. 2, 2008, p.25
- 7 Charities Aid Foundation, Charities in Recession, 1993
- 8 Giving USA Spotlight, 2008

New York City's Mayor Michael Bloomberg and Conservative Party leader David Cameron talk with a policewoman as they visit pupils and teachers at ARK Academy in south London.

Photo © Shaun Curry/Pool/PA Wire



A great giving opportunity

By Matthew Bishop, the Economist

The global financial crisis has been greeted with a certain smug satisfaction by that section of British public opinion with a grudge against the rich. Never comfortable with the fact that the re-emergence of entrepreneurial wealth in Britain had led to a rediscovery and rehabilitation of our philanthropic tradition, doomsayers are hoping that our current economic woes will see what I call philanthrocapitalism strangled at birth. Let's hope they are wrong.

Lord Eddie George was right when he commented recently, in a foreword to a report by centre-right think-tank Policy Exchange, that *"this is the first real test for our 'new philanthropists' since their method of long-term support and long-term engagement started."* Some donors will have been hard hit by the financial crisis but for many of the rich who can invest at the bottom of the market this is a great 'buying opportunity' that will make them even richer. They need to resist the temptation to rein in their giving because, just as the slump in the financial markets is offering a great 'buying opportunity' for investors, so social investors have a great 'giving opportunity' to get maximum impact from their donations by driving efficiency improvements in the voluntary sector and government.

Philanthrocapitalists have developed a new vocabulary to describe their approach to charity, which borrows enthusiastically from the business lexicon. They call themselves 'social investors' or 'venture philanthropists', and try to make donations that are 'high performance' and 'strategic'. Above all, they love to 'leverage' their money.

Leverage may be a bit of dirty word at the moment, but to make a real difference, philanthropists have to find ways to use their money that have an outsize impact, typically by using donations to change how others spend their

money. Philanthropic leverage will become more important in tough economic times as social demands increase and government budgets get tighter — the need to get the maximum bang for the increasingly sought-after philanthropic buck should become even more critical.

One form of leverage will be for philanthrocapitalists to bring about mergers and acquisitions in the voluntary sector that currently has far too many organisations doing essentially the same thing. When raising money was easy, charities could resist demands to get together. Now philanthrocapitalists who want to finance bigger, more efficient organisations may find a new willingness to accept their terms.

Leverage can come from doing things that no one else can. Inspired by an attempt to fly Nelson Mandela into Baghdad to persuade Saddam Hussein to step down and avert a war in 2003 (ultimately frustrated by the US bringing forward the invasion), Sir Richard Branson is trying to influence global politics through his creation the Global Elders. This team of independent international trouble-shooters, including Kofi Annan and Jimmy Carter, has been working to mediate peaceful solutions in Sudan, Kenya and Zimbabwe, playing a role that national governments and the United Nations cannot.



Through a project funded by the Gates Foundation, women in the village of Golo Sodoma, Ethiopia receive free bed nets in a UNICEF distribution campaign that is the largest in African history.

Photo courtesy of the Bill & Melinda Gates Foundation / Liz Gilbert.

“Leverage can come from doing things that no one else can.”

Leverage can also mean partnership. The Gates Foundation, for example, has tried to ‘leverage’ the research and development budgets of the big pharmaceutical companies by giving incentives to encourage them to spend more of their research budgets on discovering, say, a vaccine for malaria (which kills millions) rather than a cure for baldness (which hurts only vanity). Another leveraging strategy has been to encourage research that combines a variety of inexpensive drugs to cure a different disease. The British Government has been a willing partner in this process and sees Gates as a key ally in the push to achieve the Millennium Development Goals.

Philanthrocapitalists would do well to start thinking about how to apply this type of leverage at home, following a model developed in New York by billionaire mayor and philanthropist Michael Bloomberg, where philanthropy finances pilot projects too risky to ask taxpayers to pay for initially. If they are proven successful this philanthropic investment can be leveraged with little controversy or risk to taxpayers by making the expansion of the project part of the city budget. So far no British

civic leader has had the will or the nous to try this at home. But maybe straightened economic circumstances will concentrate the mind of some maverick mayor with a big Olympic bill to meet?

In her recent book *Unjust Rewards*, Guardian columnist Polly Toynbee, writing with David Walker, dismisses philanthropy as self-interested, anarchic and plutocratic. “*True philanthropy in the modern age is tax-friendliness*”, they argued, claiming that clawing back money from the rich through higher taxes beats philanthropy. This argument dangerously underestimates the potential role that philanthropy could play for the good of our society, if the philanthrocapitalists stick to their guns.

Matthew Bishop is New York bureau chief of the Economist and co-author, with Michael Green, of Philanthrocapitalism: how the rich can save the world and why we should let them, reviewed by Beth Breeze in this issue of the Newsletter.



Matthew Bishop

“It’s not donor fatigue that’s the problem in gloomy times. Most often, it’s fundraiser fatigue.”

When the going gets tough: *an appeal to fundraisers*

By Ken Burnett

The doomsayers are about and I feel a rant coming on.

OK, times are going to get tough. But financial peaks and troughs, by their very nature, tend to come and go. Of course, this one could be different. It may well be deeper, for longer, but I doubt if throughout it donors will be any different. So I’m not gloomy about the future because in the past they’ve never let us down.

We fundraisers, on the other hand, are usually among the first to head for cover when the going gets tough. Even in good times we as a group can be depended upon to be unreliable.

For years I’ve had my ear bent about donor fatigue, legacies meltdown, falling ROI, compassion overload and such stuff. I’ve been solemnly told that donors will eventually die out, that young people care more about themselves than others in need, that fundraising is more stressful than most occupations.

Tosh!

Even after the tsunami there were fundraisers bemoaning that all the money for donations had already been given away to someone else. It was all piffle. Despite the ups and downs of the past 30 years fundraisers have consistently thrived. Well, the wise ones have, at least. Donors have kept on giving as they always do, as often as not in spite of the fundraisers rather than because of them. In past recessions giving has often gone up, not down. And the hardest hit parts of the country have given most.

It’s not donor fatigue that’s the problem in gloomy times. Most often, it’s fundraiser fatigue. That, coupled with growing risk aversion, may be the voluntary sector’s undoing. Though we’ll blame the economy, of course.

For the sake of our causes and our beneficiaries, now is not the time for playing safe. Instead, when the going gets tough, it is incumbent on us not to get left behind, so we should accept that we may need to increase our risks. In the 1966 blockbuster movie *Grand Prix*, starring James Garner and Eve Marie-Saint – described as a slam-you-into-the-driver’s seat tale of speed, spectacle and intertwined personal lives (so, a bit like fundraising) – the French driver Sarti, played by actor Yves Montand, explains his race-winning tactic.



Ken Burnett

Ken's commandments

The lesson from past crises is that recession time is a time to be bold and to reaffirm the fundamentals. Here's ten things I would recommend.

1. Do not cut back investment in fundraising. This would be very foolish. In particular, don't cut basic donor care, such as your welcome and thank you procedures.
2. Present your cause positively and optimistically.
3. There's safety in focusing on individual giving. Concentrate on 'the big three' - regular donors, legacies (bequest) and major donors. Get back to basics. Cut all unprofitable/low return activities.
4. Define your products very well. Make sure your donors see your cause as the last thing they will cut.
5. Get to be very good at communication – particularly low-cost, electronic media.
6. Demonstrate value for money for your donors at every opportunity.
7. Now is the time that your efficient, friendly donor service will pay off. You'll be glad that some years back you invested in donor care/relationship building.
8. Be genuinely transparent, open and accountable.
9. Share your problems with donors. Ask them to stand by your cause through this crisis. Don't be negative.
10. Show and demonstrate your dedication and commitment to your cause. Don't be afraid to ask your donors to be similarly committed.

Whenever he sees a pile-up ahead with mayhem and confusion on the track and other drivers swerving wildly or decelerating, Sarti puts his foot down and drives straight through, relying on his skill and nerve to pass all obstacles, on to the winner's flag. Maybe for fundraisers this is an Yves Montand moment – time to carefully and cleverly assess the confusion and the opportunities around you and bravely forge a way forward that will take your organisation ahead, into a new league. However long and deep the recession, it's likely to be a time when your main competitors will all be going in more or less the same direction, and at the same speed.

Not for the faint-hearted perhaps, but now could be the time to test some new acquisition innovations, some courageous approaches to former donors, to expand your list exchanges, trial new levels of customer service, call more comprehensively on your major donors, work on your capacity to inspire, test new fundraising products and propositions, even to redefine the urgency and rightness of your cause.

Who dares, wins. No guts, no glory, and all that.

And another thing. If you'd been doing this relationship fundraising thing, like I was telling you to do more than 15 years ago, your donor relationships would be seriously recession proof now, wouldn't they?

Rant over. I rest my case.

When it was first published in 1992 Ken Burnett's book Relationship Fundraising set the agenda for charity-donor relations. Updated and reissued in 2002, with his 2006 book The Zen of Fundraising it continues to be an indispensable source of ideas and inspiration for those raising funds for good causes.

Ken is also founder and managing trustee for the archive of fundraising best practice, SOFII (the Showcase of Fundraising Innovation and Inspiration: www.sofii.org), a free resource for fundraisers worldwide. His books and articles can be found via his website, www.kenburnett.com. Ken can be contacted at ken@kenburnett.com.

“It may be time to ask the really hard question: which of the charities that I support are actually doing the best job and having the most impact?”

Letter from America

By Melissa A. Berman, Rockefeller Philanthropy Advisors

As he reviewed the dismal investment results this week for a family charitable trust, David Rockefeller observed calmly, *“This is certainly the worst market crisis since the Great Depression. I remember that time. And it was not a lot of fun.”* Apparently perspective and wisdom really do create a wry, philosophical stance. The rest of us are reeling.

This downturn is shocking not only because of how far the market has plunged, but because it's fallen so fast. And despite dizzying commitments on the order of \$700 billion and the effective public sector takeover of many investment firms, the levers of policy do not seem to be lifting the boulders of bad debt.

For philanthropy and the non-profit sector, consequences appear profound. In the U.S., the timing could not be worse for many charities: year-end giving brings in as much as half the annual budgets of many a charity. A market crash in February leaves hope that by year-end an upswing has begun. No such comfort is available this autumn.

The US non-profits likely to be hit the hardest are small social service organisations – the real safety nets for much of society – that rely on small donations from people of relatively modest means. As the US election results show so clearly, the middle class feels under siege. When people with little disposable income feel insecure, they cut back on their donations. And this is certainly an insecure time.

Performing arts organisations are also likely to feel the impact. In many American metropolitan areas, the base of



Melissa Berman

support for orchestras, operas, theatre and dance has been eroding for a decade or more. When the economy is weak, many donors cut back on the arts in favor of other causes.

In New York City, and probably London as well, the effects will be especially intense. Obviously, as global banking capitals, their donor bases are disproportionately linked to the financial sector. But in addition, they're global tourism capitals. Again, the timing couldn't be worse: in good years, from mid-November to early January midtown Manhattan experiences sidewalk gridlock as tourists from around the world spend their winter holidays sightseeing and shopping. Their largesse supports many a merchant, who in turn supports many a charity.

What can non-profits do in the face of this fierce headwind? Most critically, they need to make the case more clearly than ever how their work solves problems. They'll need to communicate what their strategy is, and why it's effective, and how funds are being used.

Presenting the need and the urgency of the problem is not enough now that there are so many non-profits in effect 'competing' to address the same issue. Certainly, quite a number of non-profits will not be able to survive. Market forces will dictate some consolidation.

For donors themselves, whether individuals, companies or private foundations, it's a time of wrenching choices. The temptation is an across-the-board cut, which feels fair and is certainly simple to do. Like many simple things, it's not really very sensible or strategic. A more thoughtful approach is to identify the organisations with which you have the deepest and most committed relationship, and keep their support constant. Another strategy is to analyze which charities are most dependent on you, based on their size or base of support, and give them priority. Finally, it may be time to ask the really hard question: which of the charities that I support are actually doing the best job and having the most impact?

The horizon holds few signs about how long this downturn will last. But a look backward actually offers some reassurance. In the US, at least, foundation giving levelled off, but did not actually drop, during the market downturn from 2000 through 2002. Many foundations used multi-year averaging to smooth and soften the impact. In addition, the rate of foundation formation

brought new assets into philanthropy that made up for the declines in older foundations' endowments. Living donors, like Oprah or Bill and Melinda Gates, continued to add to their foundations during the past downturn.

Those countervailing forces – averaging of payouts, new foundation formation, additions to foundations – seem likely to continue during this current downturn. They won't insulate charities from the downturn, but they will mitigate the impact.

Meanwhile, we here in New York invite you warmly to come over and shop. We promise to be less surly.

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

Adam Ognall



What's new in social investment?

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

By Adam Ognall, UK Social Investment Forum

Socialinvestments.com launches its 'looking for capital' service

The service is designed to help investors who find it difficult to identify interesting investment opportunities in the social business sector. Currently over 120 profit-seeking companies are listed on the site.

Socialinvestment.com has also launched a Social Investor blog.

► www.socialinvestments.com

Scottish Investment Fund launched by the Scottish government

The £30m fund aims to build capacity in established third sector organisations operating in Scotland.

► www.scottishinvestmentfund.co.uk

Office of the Third Sector (OTS) seeks fund manager to invest risk capital

OTS published a request for proposals to establish one or more funds investing risk capital investment in social enterprises in England. OTS will commit up to £10m via funds or co-investment.

► www.cabinetoffice.gov.uk/third_sector

Triodos poll finds that consumers look to ethical options in current crisis

The poll by GfK NOP surveyed attitudes towards banking in the current climate. 38% of respondents would consider a lower rate of interest if they knew that their money was being used in a socially and environmentally responsible way.

► www.triodos.co.uk

Young Foundation assesses the role of private equity in social investment

'The Role of Private Equity in Social and Sustainable Development', a report by Arbor Square and the Young Foundation, explores the role private equity and venture capital providers can play in social and sustainable development.

► www.youngfoundation.org/launchpad

C DFA launches Virtual Board Network

The Community Development Finance Association (cdfa) has launched the network to connect CDFI board members with their peers.

► www.cdfa.org.uk

If you require further information on these stories or have a social investment news item, please contact Adam Ognall, UKSIF Deputy Chief Executive, at adam.ognall@uksif.org.



Publication reviews and notices

reviews

Philanthrocapitalism: How the Rich Can Save the World

Matthew Bishop and Michael Green

New York: Bloomsbury Press, November 2008. 298pp.
Cloth. ISBN 978-1-59691-374-5
www.bloomsburypress.com £16.99

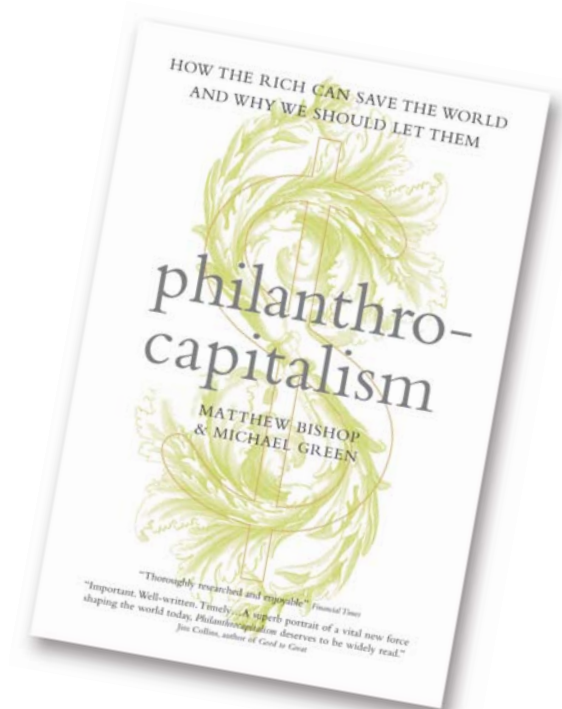
Reviewed by Beth Breeze, Publications Editor

This book has the perhaps unique distinction of being the target of another book's critique before it was actually published itself. The concept of 'philanthrocapitalism' was dissected in Michael Edward's slimmer tome, "*Just Another Emperor? The myths and realities of philanthrocapitalism*" published in March 2008. Any reader who is interested in engaging with this important debate about the role, validity and potential for 'businesslike giving', can freely download Edward's book at www.justanotheremperor.org, can read Philanthropy UK's review of that book in our September 2008 Newsletter, and

can see Edward's response to his critics, including our review, at www.opendemocracy.net.

Whilst this background reading may seem excessive, it will pay ample reward in setting the scene for the jungle into which Bishop and Green confidently stride, axe at the ready, to make light work of chopping down the pseudo-arguments and straw men that they feel populate their opponents' writing. Where some critics worry about the self-interest and narcissism of 'new philanthropists', Bishop and Green focus on results; where some see celebrity involvement in social causes as self-promotion and the dumbing down of policy debate, this book hails 'celanthropists' for lending their brand credibility and communication skills to support important causes; and where, for example, Edwards ruminates on the incompatibility of love and the profit motive, Bishop and Green side-step such philosophical blind allies in favour of a more pragmatic 'what-matters-is-what-works' approach.

But readers with no appetite for wading into a tussle boasting heavyweights on all sides should not steer clear of this book on that account. Despite appearances, it is not a sustained polemic in the vein of Edwards' pamphlet. Indeed, the arguments made in favour of philanthrocapitalism are not actually the most important reason for reading it. Rather, this book is an essential resource because it provides the most comprehensive and well-researched review of contemporary



global giving that exists to date. Bishop and Green authoritatively map out the terrain of philanthropy at the start of the 21st century, contextualise that account within recent history and offer a balanced summary of the pros and cons of new developments, making space to air criticisms of the techniques, individuals and organisations

that they ultimately endorse. The book also provides useful potted histories of many relevant organisations and extremely insightful pen-pictures of key individuals who are involved in contemporary philanthropy.

The authors define philanthrocapitalists as anyone who transfers skills and ideas used to pursue profit (such as a focus on results, leverage and risk-taking) to pursue social change, as well as anyone endorsing such 'businesslike giving' including celebrities, sports stars and royalty. This broad-church approach allows them to claim almost any significant figure in modern philanthropy as a congregant. Former President Bill Clinton is not a businessman and has no significant personal wealth to give away, yet he is described as "*singing from the hymn sheet of philanthrocapitalism*". However, the authors' even-handedness is evident when they note that the Clinton Global Initiative "*attracts its share of chancers and self-publicists*".

There are two problems with this otherwise admirable book. The first is its ludicrously over-wrought sub-title: 'How the Rich Can Save the World'. This unnecessarily provocative cover misrepresents the more measured tone and modest claims found inside the book. Not only has no donor ever asserted they can save the world, Bishop and Green themselves go to great lengths to emphasise that significant social change only occurs as a result of collaboration between philanthropists, governments, NGOs, businesses and citizens, with each aspect of any partnership playing to its own strengths, for example, "*combining the innovation of the businessworld [and] the passion and humanity of the nonprofit world*".

The other flaw is the flight of fancy employed in the last chapter, set in 2025 at Bill Gates' 70th birthday party, and

celebrated in Richard Branson's space mansion in the presence of a hologram of Andrew Carnegie with guests reflecting on a range of achievements brought about by businesslike givers, including peace in Darfur and the eradication of malaria. One part of this imaginary vindication of philanthrocapitalism involves the casting of Google co-founder Larry Page as the newly elected US President.

Yet reality trumps fantasy as president-elect Barack Obama is as sympathetic and knowledgeable a proponent for civil society as the White House has seen, which rather undermines the suggestion that plutocracy may be a price worth paying to harness the finest minds in search of social change. A more convincing closing point would have been a reiteration of Bishop and Green's argument that the question is not so much whether the rich can save the world, but whether the obvious inability of those traditionally entrusted to do so (government, corporates and NGOs) implies a need to cease bashing rich donors in favour of helping them to achieve their potential to play a leading role in solving the biggest problems facing our world.

Regardless of your personal take on the merits of the movement described as philanthrocapitalism, this is a book that will earn its place on any bookshelf as a very useful resource on the ideas, people and organisations that populate the contemporary philanthropic scene.

Beth Breeze is Publications Editor of Philanthropy UK

Philanthropy in Europe: A rich past, a promising future

Norine MacDonald and Luc Tayart de Borms (eds)

London: Alliance Publishing Trust, 2008. 304pp.
Paperback. ISBN 978-0-9558804-0-7.

To order contact Alliance magazine at publishing@alliancemagazine.org or the European Foundation Centre at efc@efc.be.

Reviewed by James Myers, European Association of Planned Giving

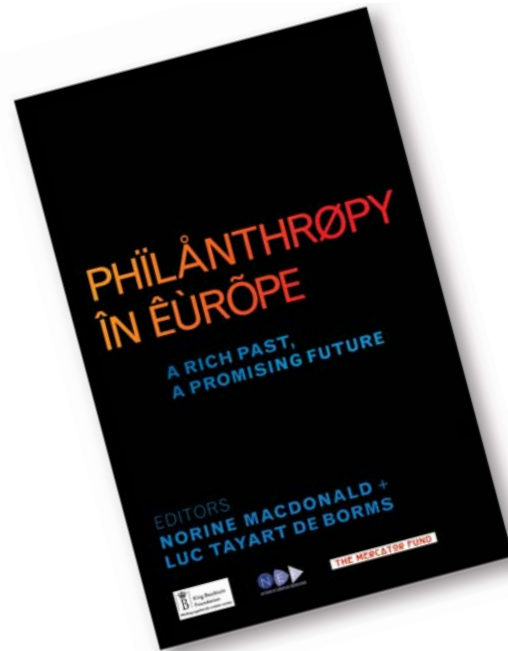
The aim of this interesting book is to raise awareness of the rich history of European philanthropy, in particular of European charitable trusts and foundations, and to discuss issues concerning its future development. The editors, Norine MacDonald QC, president of the Gabriel Foundation, and Luc Tayart de Borms, managing director of the King Baudouin Foundation, point out that the spotlight falls all too frequently on US philanthropy, from which it is often thought that European foundations derive their inspiration.

As *Philanthropy in Europe* admirably proves, this is far from being the case. It remains to be seen whether this will change in an increasingly global world. My own view is that it will, although readers will be in no doubt by the end of this book that European philanthropy is independently prepared to surge forward.

After an editorial commentary, which emphasises the role of foundations in European societies past and present, and the challenges and opportunities that lie ahead, thirteen profiles explore the history, current position and influence of one foundation or philanthropist in penetrating depth, followed by six essays on the current role of European foundations, the need for change and the path forward. The contributors are all influential figures in the philanthropic world and their chosen subjects are wide-ranging including, for example, the sixteenth-century Italian Compagnia di San Paolo, the Polish Stefan Batory Foundation and the Swiss philanthropist Stephan Schmidheiny. UK readers may be particularly interested in the chapters on Wellcome Trust and Impetus Trust.

The editors divide European civil society into four categories: the Anglo-Saxon model, the Rhine model, the Latin/Mediterranean model and the Scandinavian model. The different approaches to philanthropy that are followed within each model are well illustrated in the thirteen profiles. The UK, it seems to me, is well positioned somewhere between the continental European models and the US, in the sense that it can benefit from developments that occur in both systems either side of the Atlantic. This book will greatly assist the general understanding and appreciation of the role of European foundations and how we can work together in advancing towards united philanthropic goals, while not being blind to US initiatives.

The thirteen profiles embrace an underlying theme of the development of civil society from religious beginnings, resulting in the bedrock principles of democracy, the rule of law, market economy and civic participation. This increasingly depends on co-operation at an international level. When, for example, the visionary industrialist and



philanthropist Robert Bosch died in 1942, his estate was bequeathed to alleviate “hardship and promote the moral, physical and intellectual development of the people”. This was to be fulfilled through the promotion of “health, education, talent, international understanding and the like”.

The profile of the Robert Bosch Foundation, written by David Watkiss, explores how the donor’s intent is currently being achieved through programmes that include raising public awareness of science, promoting dialogue between researchers and journalists and strengthening relations between Germany, France, the US, Turkey and Japan by encouraging co-operation and communication between emerging leaders.

Another profile that alludes strongly to the principles of democracy, the rule of law and civic participation is Dianna Rienstra’s chapter on the Stefan Batory Foundation. Her contribution describes the role of this organisation in facing up to the challenges of returning Poland to a civil society in the 1990s, not an easy task according to this fascinating account.

The case for European nations working together for philanthropic progress is clear, and well argued in the six essays that conclude this book. I know from my own experience how often cross-border problems with tax relief inhibit philanthropy, both in charitable giving and non-profit operations. I therefore found myself cheering wholeheartedly when I read Gerry Salole’s essay on the need for a European foundation statute, which would, I presume, cover not only grant-making foundations, but all non-profits. This, as he writes, would eliminate many barriers to the flow of funds and operation – a view, which the editors of this book fully endorse.

Gerry Salole concludes: “We are confident that only by making the case strongly will we be able to achieve the final push that will see the merits of our case acknowledged, and the EU leaders definitively accepting the logic of creating a European foundation statute.” We’re right behind you, Gerry!

Thank you, Norine MacDonald and Luc Tayart de Borms, for this timely and valuable book.

James Myers is president and co-founder of the European Association for Planned Giving (EAPG), www.plannedgiving.org.uk.



James Myers

Influential reading: *Fiona Ellis*

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 Fiona Ellis, Chief Executive of the Northern Rock Foundation.

Fiona says:

Choosing just three 'influential books' is a bit like a Desert Island Discs challenge but much harder! I think of rules as useful guidelines to be broken if a greater good can be served so forgive me if I don't stick to the prescribed three books.

One of my predecessors in this column is Diana Leat, but that won't stop me recommending her work. If you are serious about effective grant-making, then anything written by Diana has to be on your reading list. Diana's books and her thinking have influenced me for years: she's a tough critical friend who challenges us to be the best we can be and firmly points out where we are not. She is sympathetic to our hand-wringing but doesn't let that excuse us. If we get lazy or complacent Diana's thoughts kick us into activity again. A good example is **Just Change**, her most recent book, with which I confess some involvement, but the work is purely Diana's.

I read Michael Edwards' book **Just Another Emperor?: the myths and realities of philanthrocapitalism** when it came out and breathed a great sigh of relief. In this quick-fix society, where there has been almost a worship of business-led solutions, it's good to see a gentle note of scepticism. Like Diana Leat, Edwards doesn't think 'traditional' philanthropy has it right but he has not fallen for the bullish, enthusiastic but often tactless



Fiona Ellis

“It’s hard to accept that chronic and terrible problems take a long time to mend – too long for those enduring them, as well as for those who genuinely want to bring about change.”

notion that success in business inevitably spells success in fixing societal problems. His book is nuanced, intelligent and healthily sceptical. It is of course a fact that the most thoughtful and modest venture philanthropists (Impetus Trust’s Stephen Dawson springs to mind) quickly learn that entrenched problems are not easily solved. Such people go on to be excellent allies, probably a bit embarrassed by the hype stirred up by ‘business saves the world’ advocates. It’s hard to accept that chronic and terrible problems take a long time to mend – too long for those enduring them, as well as for those who genuinely want to bring about change.

But these are ‘how to’ books – before ‘how’, you need ‘why’. Like most of the chief executives of foundations that I know, I am fuelled by injustice and by empathy for those on the receiving end of it. I find that a good pairing of fiction and non-fiction fires me up. An example is **Blood River** by Tim Butcher, a factual account of a journey along the Congo river in the path of the explorer Stanley

but undertaken in the arguably even more dangerous 21st century; I couple this book with Barbara Kingsolver’s fictional account of American missionaries in the same area, **The Poisonwood Bible**. Butcher’s book describes the fragility of human structures and human capacity for kindness, with some extraordinary examples of ‘positive deviance’. In his terrifying journey he occasionally trips over a railway sleeper or traces of a highway that crossed the country – all now gone. While rightly condemning the colonists who built them for their cruelty and greed, he shows how even the positive residue of those occupiers

that might have been turned to use has now disappeared through a combination of more greed, a failure of integrity and a breakdown of empathy. As usual great fortunes are made by the few at catastrophic cost to the many. Barbara Kingsolver, in the best of her novels, tells us what that feels like to someone experiencing it.

My final selection is a book I struggled through many years ago. It’s a hard read but the author kindly offers a guide to a quicker route through, which I unashamedly took. One day I’ll go back and read every chapter. The book is John Rawls’ **Theory of Justice**. Rawls tries to construct a method of creating a just society and in doing so shows how very difficult it is to do right by everyone while accepting that life throws up difference and contorts all systems. In Rawls’ ‘just society’ there are still rich and poor, and there are still winners and losers, but there are fairer and better starting points and measures to contain abuse. If we could add Rawlsian justice to Kingsolver’s compassion we might just be getting somewhere.

notices

Money Well Spent: A Strategic Guide to Smart Philanthropy

Paul Brest and Hal Harvey

This book, which carries endorsements from Bill Gates, George Soros and several other respected global philanthropic experts, starts from the premise that billions of philanthropic dollars all too often go to waste, failing to achieve stated goals or make true change happen. The reason for this is said to be simple: poor strategy. Drawing on examples from many different foundations, this book presents donors with the framework to design a plan that will ensure meaningful returns. The authors, Paul Brest and Hal Harvey, who help to run the U.S.'s sixth largest foundation, bring a wealth of experience and expertise on what works and what does not. For those who believe that philanthropic money should be administered according to the highest standards of stewardship, this book is money well spent.

New York: Bloomberg Press, Jan 2008 (UK edition).
288pp. Hardback. ISBN 978-1576603123.
www.ordering1.us/bloombergbooks/product.php?pid=329 £13.99

Growing Civil Society: From Nonprofit Sector to Third Space

Jon Van Til

This book investigates the role of voluntary action and nonprofit organization in contemporary America. It notes that society contains four sectors – governmental, market, family and nonprofit – and argues that the concept of a ‘third space’ is a more useful way of conceptualizing the area of society that is occupied by nonprofits as well as many individuals and organizations that come together to work for the common good. Van Til is a respected commentator on nonprofit and philanthropic issues and he notes in the preface to this paperback edition that this book has been ten years in gestation. He offers a rounded review of third sector activity, including successes and limitations. But ultimately the author is a champion of his focus of study, arguing that the third space is crucial because it has the potential to be a wellspring for rebuilding a troubled society in an age of rapid change and turbulence.

Bloomington, Indiana: Indiana University Press,
November 2008. 264pp. Paperback. ISBN 978-0-253-22047-9. <http://iupress.indiana.edu> £16.99

Critical masses, Social campaigning: A guide for donors and funders

Gustaf Lofgren, Tris Lumley and Adam O’Boyle

Critical masses explores the role of campaigning charities and highlights the significant part they can play in changing legislation, shifting attitudes and creating long-term change. The report addresses common concerns that donors and funders have about campaigning, and shows that it is not only effective and measurable but also a critical component of efforts to tackle some of society’s biggest problems. The report also contains a Campaign Analysis and Planning Tool, developed by NPC, which aims to help funders and charities plan and evaluate campaigns.

New Philanthropy Capital, London, 2008. 64pp.
Paperback, (also available as a downloadable PDF),
ISBN 978-0-9551694-0-3. www.philanthropycapital.org

Heads Up: Mental health of children and young people

Iona Joy, Matthew van Poortvliet and Clare Yeowart

This report draws attention to successful charitable projects tackling mental health problems outside the adult population and makes recommendations for philanthropists wishing to support this type of work. Over one million children and young people are said to suffer from disorders that make it hard for them to cope with everyday life. Three-quarters of them are not receiving adequate treatment, and are more likely to grow into adults with ongoing mental health problems. The report concludes that making more treatment available to children and young people could ultimately save society between £244 m and £376 m.

London: New Philanthropy Capital, November 2008. 100pp. Free download available at http://www.philanthropycapital.org/research/research_reports/health/child_mental_health.aspx

The Last Mrs. Astor: A New York Story

Frances Kiernan

This biography of Brooke Astor, who died in August 2007, is based on eight years' acquaintance plus interviews with the subject's friends and contacts at the many New York cultural institutions that she supported. As President of the Vincent Astor Foundation, Mrs Astor used the \$67 million left by her late husband to fund a variety of projects in the city with which her family name is so intimately connected, although she herself was born in New Hampshire. Her experience as a grant-maker did not just benefit her adopted city but also - by her own account - enabled her to come into her own. Although her life spanned almost the entire twentieth century, she became a full-time philanthropist relatively late in life, when her husband died in 1959. This book contextualizes her philanthropy within her long and fascinating life-story.

New York & London: W.W. Norton. 2008. 318pp. Paperback. ISBN 978-0-393-33160-8. www.wwnorton.com £11.30

Philanthropy Reconsidered: Private initiatives – public good – quality of life

George McCully

This small book has a big aim: to illuminate what is happening in American philanthropy today, and what it all means. Taking a scholarly approach, drawing on philosophy, the classics and history, it claims to re-interpret philanthropy and provide a strategic overview of its meaning, values, greatest accomplishments, current transformations and future directions. The author draws on material published over the last 12 years in the **Catalogue for Philanthropy**, an annual publication which McCully created to disseminate discussions about philanthropic issues and descriptions of charities, and is mailed to c.120,000 affluent US households.

Bloomington, Indiana: Authorhouse, August 2008. 130pp. Paperback. ISBN 978-1-4389-0561-7. £24.49. www.authorhouse.com

My philanthropic journey

“I know of no more satisfying occupation than philanthropy.”

Giving and getting: a view from both sides of the fence

By Dame Vivien Duffield DBE

My Foundation director tells me that she's having a lot of meetings with elephants at the moment. Not real ones I hasten to add. But she describes meetings in which capital plans are talked up with great confidence and no mention is made of the difficult fundraising climate in which these buildings are to be constructed: the 'elephant in the room' is the global economic downturn which is affecting us all and which will clearly affect many major capital projects in the coming months. She could as easily tell me that she is taking meetings with ostriches who are placing their heads resolutely in the sand. Fundraising is not an easy task right now, but honesty and objectivity are clearly the best approaches when talking to funders.

My Trustees and I are probably at the other end of the spectrum: highly sensitive to the economic climate and constantly talking of it. No-one is immune to the real and predicted losses – but will our giving be affected? I prefer to think of things rather differently: I think what will be affected is our focus. We will be loyal to our existing beneficiaries but we may have a new focus on programme rather than capital funding and we may actually be making more donations but for smaller amounts.



Dame Vivien Duffield at the Southbank Centre.

Photo © Southbank Centre / Geoff Crawford, July 2007.

“Any long-term vision for the charity world needs to take account of the people who will lead the sector in the years to come.”

Where there are losers, there are always winners, and some of the smaller charities that may have been overlooked in the past may now find a new channel for their requests. For many givers, losses may just be on paper for the moment, and it will take some time for changes in approach to become visible, but what is clear is that there will be constant vigilance with regard to the financial picture, and to emerging trends in applications – we receive over 3,000 a year, so we have quite a lot of evidence to go on.

So what should charities do? They should be realistic about their goals and cut their cloth to suit the times. Grand ambitions may have to be scaled back. They may have to become more flexible, adaptive and entrepreneurial, and they will need to play a long game rather than seek quick hits. What they cannot do is stand still: none of us can afford to do that.

And of course, I wear both hats. As much as my career has been about giving, it has been about raising money. First for Eureka! The National Children’s Museum in Halifax, then for the Royal Opera House and the Southbank Centre. Now I have taken on my biggest challenge, with a target of north of a billion pounds for my old university, Oxford. I have learnt the hard way, over many years, how to solicit funds and how to be solicited; how to give, and how to refuse – and all of this will serve me well for Oxford.

Which brings me to one aspect of philanthropy which may just escape the current downturn: investing in people. Any long-term vision for the charity world needs to take account of the people who will lead the sector in the years to come. I started a leadership programme for the cultural sector five years ago, led until recently by Lord Smith, which has gone from strength to strength.

Earlier this year I founded the Clore Social Leadership Programme, and Dame Mary Marsh left the NSPCC to take up her post as its founding Director in October. It will be her job to identify, train and develop future leaders for the third sector. As the latest issue of the NCVO magazine tells us in relation to the task ahead for Mary: *“Building a platform for these young men and women to grow into effective leaders for the future will leave a legacy that far outlasts the current downturn.”* This is as relevant for Oxford – which also, of course, is in the business of identifying and growing talent – as it is for my leadership programmes.

Whether you are driven by belief in a cause, by wanting to be a catalyst for change, by an emotional response, or by duty and responsibility, I would have to say that I know of no more satisfying occupation than philanthropy. I have always funded bricks and mortar, and I can’t see me stopping entirely, but I have gained more satisfaction from the 134 Fellows that I have watched on their journey through the cultural Clore Leadership

Programme than I have from the opening of any building – and I’m looking forward to meeting the first cohort of Clore Social Leadership Fellows in 2009.

Dame Vivien Duffield DBE chairs the Clore Duffield Foundation, which concentrates its support on education, the arts, museum and gallery education, cultural leadership training and health and social welfare, whilst placing a particular emphasis on supporting children, young people and society’s more vulnerable individuals. On November 27th 2008 HRH The Prince of Wales presented Dame Vivien Duffield DBE one of the first five Medals for Arts Philanthropy. The medal celebrates individuals who support the arts and recognises the contribution of the most inspiring philanthropists in the UK.

- ▶ www.cloresocialleadership.org.uk
- ▶ www.cloreleadership.org
- ▶ www.campaign.ox.ac.uk

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Quarterly news highlights

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10/12/08 **A Guide to Giving 3rd edition**

Published by Philanthropy UK and sponsored by private bank Coutts & Co, the third edition of *A Guide to Giving*, the essential handbook for 21st Century giving is now available free of charge online. It features new topics including family philanthropy, charity impact evaluation, donor advised funds and sustainable finance; all written by experts in the field.

10/12/08 **New giving research indicates changing trends**

UK Giving 2008, published this month, shows that cash donations to charity fell in 2007/08. Regular methods of giving, such as direct debit, payroll giving or membership fees, continue to rise.

03/12/08 **New medal celebrates arts philanthropy**

The first five medals for Arts Philanthropy have been awarded by HRH The Prince of Wales. The medal celebrates individuals who support the arts and recognises the contribution of the most inspiring philanthropists in the UK.

20/11/08 **Bridges Ventures launches new fund**

The Bridges Social Entrepreneurs Fund, which has so far raised £4.25m for investment in social enterprises, has been launched by Bridges Ventures. Targeted at scalable social enterprises, the Fund will invest up to £1m in each sustainable social enterprise and will recycle capital into multiple projects.

22/10/08 **Philanthropy advisory set to grow**

Advising on philanthropy will become a core part of business for wealth advisors within five years, according to new research. Over 60% of advisors interviewed believe that philanthropy will become a core element of private client services.

08/10/08 **New Minister for the Third Sector**

Kevin Brennan, MP for Cardiff West, has replaced Phil Hope as Minister for the Third Sector in the Cabinet Office. Brennan previously was Under-Secretary of State at the Department for Children, Schools and Families.

06/10/08 **Royal Society fund to invest in innovation**

Business leaders have donated £5m to the Royal Society Enterprise Fund to finance technology spin-outs from scientific research. The venture philanthropy fund will provide seed investments of between £250,000 and £2m to back start-ups based on advances in physical sciences and engineering.

06/10/08 **Barclays in \$20m community investment partnership**

Barclays bank has partnered with CARE International, Plan International and Accenture with a \$20m (£11.3m) community investment partnership to help 800,000 disadvantaged people access community-based financial services in ten countries in Africa, Asia and Latin America.

06/10/08 **New philanthropy research centre launched**

The Research Centre for Charitable Giving and Philanthropy (CCGP) was launched in London on 1st October to provide independent research; create knowledge exchange between philanthropy practitioners and academics; develop and disseminate the evidence to influence policy; and advance the scholarship of giving.