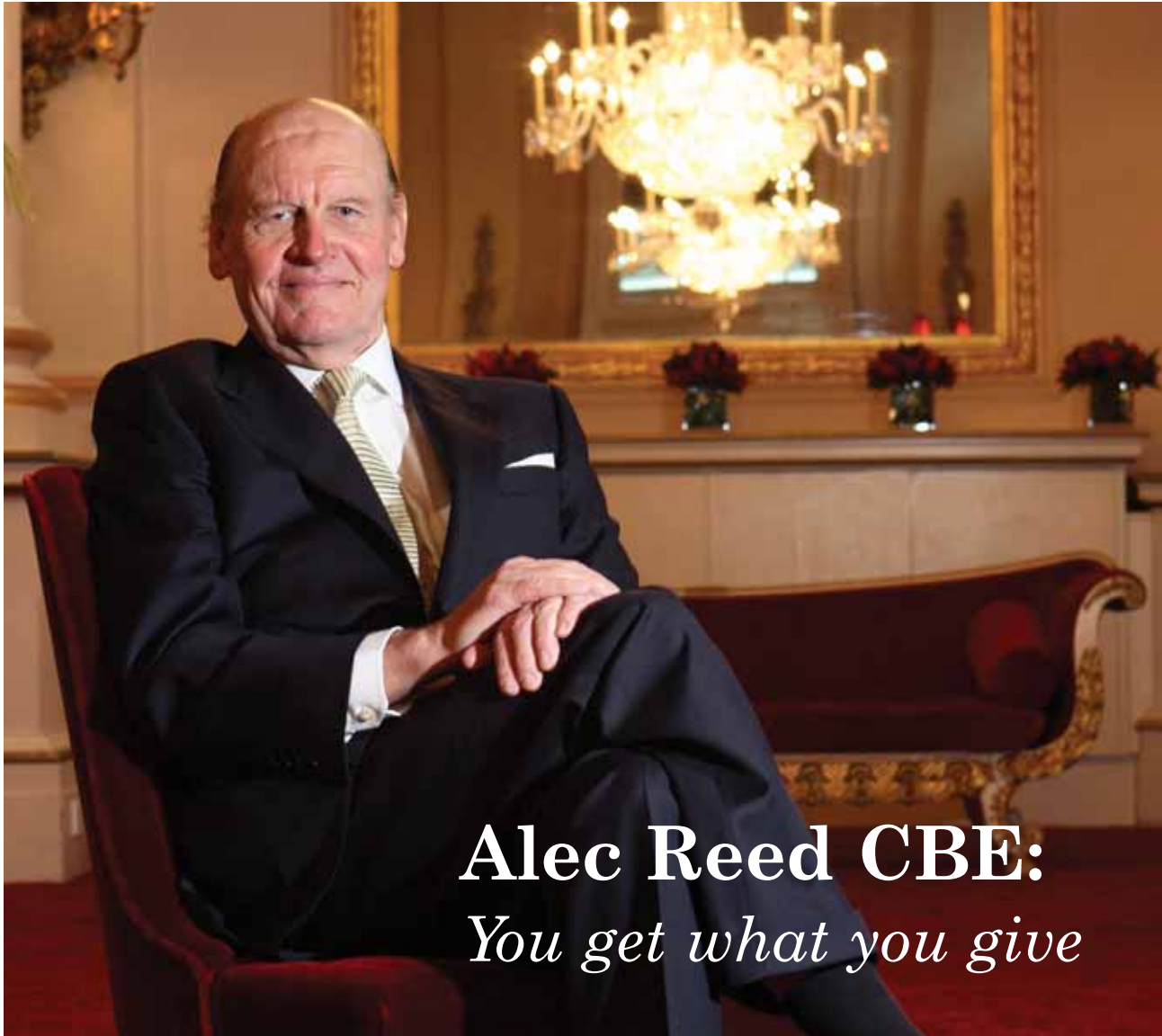


philanthropy|uk: newsletter *inspiring giving*



Alec Reed CBE:
You get what you give

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

Also in this issue:

Seasonal giving:
A resolution for giving

Spotlight:
Corporate foundations

Interview:
*John Low,
CAF's Chief Executive*

Letter from America:
Melissa Berman

**plus the latest
philanthropy news
and publications**

welcome

Welcome to the latest issue of the Philanthropy UK Newsletter. We hope that 2007 has been a rewarding year for all our readers, and on behalf of the Editorial Board, I wish you a vibrant and philanthropic 2008!

We open this issue with our own seasonal appeal by urging our readers to make becoming an effective giver one of your New Year's resolutions. We also offer some major gift ideas for the holiday season.

Recent circumstances surrounding two corporately supported foundations have highlighted both the impact that such corporate philanthropy can have, and the risks it poses. Our Spotlight on corporate foundations explores the unique risks they face, the question of independence, and how best they can meet these challenges.

Elsewhere, we are delighted to welcome Melissa Berman, President and CEO of Rockefeller Philanthropy Advisors, who will be penning a new regular column, Letter from America.

The events reports, courtesy of Alliance magazine, will continue to be published in the online version of the Newsletter.

As always, we are especially grateful to all our guest contributors, whose efforts continue to enrich these pages. We thank our readers for your support, and urge you to engage further with us. If you would like to comment on this issue, or to contribute an original article, please contact me at editor@philanthropyuk.org.

Best wishes,

Susan Mackenzie: *editor*



Susan

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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.

The secretariat for the Newsletter is being provided by ACF. To subscribe free of charge, please complete the subscription form on our website.

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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

Actress Helena Bonham Carter photographed by Rankin for Oxfam Unwrapped's seasonal giving campaign - Say 'No' to Rubbish Presents!
© Rankin for the Oxfam Unwrapped Campaign

Seasonal Giving

A resolution for giving

By Susan Mackenzie

Holiday cheer, goats and reindeer – 'tis the season of the charity gift appeal.

Charities of all types and sizes target donors through Christmas-themed campaigns, whilst the lucky few are supported by extensive coverage in the various newspaper appeals. Their messages are inspiring – but which to choose, and how can you be sure your contribution will make a difference?

Getting started in philanthropy can be daunting. As Andrew Carnegie said, *"It is more difficult to give money away intelligently than it is to earn it in the first place."* Yet it also is a richly rewarding journey.

Philanthropy UK urges our budding philanthropist readers to use one of your New Year's Resolutions to make a step change in your giving in 2008, to begin to think more strategically for longer-term impact.

First steps

The first step to effective giving is to ask yourself why you want to give. Your philanthropy will be most effective – and most rewarding – when you match your interests with the need. What are your motivations? What causes do you care about? What needs are most pressing? How can you have an impact?

Next, consider setting up a charitable trust, which is a good mechanism for 'programmatic' giving, as it allows for a strategic and sustained approach to supporting charities, whilst also institutionalising learning. It also is a positive and fun way to involve family members. Says philanthropist Michael Oglesby: *"Philanthropy helps cement the family, bringing the younger generation closer to... the family legacy."*



You might also consider setting up a charity gift account, which is like a bank account for charitable giving. There are several providers, such as Charities Aid Foundation and Charities Trust. Closer to home, you may wish to set up a fund at your local community foundation.

Finding charitable organisations

With so many charities and good causes to choose from, inertia can quickly set in. Fortunately there are a number of trusted intermediaries who can help. For example, members of the Association of Charitable Foundations can access its issue-based networks and learn from other grant-makers. Meanwhile, New Philanthropy Capital recommends UK charities working in community, education and health; community foundations can put you in touch with local projects; and Geneva Global recommends projects internationally. And new website The Big Give lists hundreds of major gift projects for wealthy donors. If you are interested in supporting a social entrepreneur, contact Ashoka, UnLtd, Community Action Network or the School for Social Entrepreneurs.

There also are specialist philanthropy consultants, as well as your professional advisors who can connect you to other philanthropists. And you can search for all UK

registered charities on the websites of Guidestar UK, the Charity Commission and the Office of the Scottish Charity Regulator.

Successful philanthropy

Good giving blends objectivity with compassion; it does not need to be scientific to be done well. Rather, successful philanthropy is having the impact that you seek:

“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.

Philanthropy UK believes that this is one New Year’s Resolution worth keeping – and we wish you an extraordinary journey!

Generous giving: major gift ideas for the holidays

£250	Invest in a community development finance institution (CDFI), which lends and invests in deprived areas that cannot access mainstream finance
£1,000	Become a Pilotlighter , giving three hours of your time and expertise each month to help charities become more sustainable
£7,500	Join the Ashoka Support Network , and engage with individual social entrepreneurs and visit their projects
£40,000	Invest in the venture philanthropy Sutton Strategic Philanthropy Fund which supports educational opportunities for young people from non-privileged backgrounds
£100,000	Invest in the Venturesome Fund , a social investment vehicle which provides unsecured loans, underwriting and other financing to organisations that have no other access to capital
£150,000	Help tackle HIV and AIDS in Malawi through Oxfam Projects Direct
£1m+	Support a capital project via The Big Give , such as Chiswick House Grounds, Royal Opera House or Canterbury Cathedral

*Learn more about these and other giving opportunities in **The Philanthropy Directory** on our website

Philanthropy UK website resources

www.philanthropyuk.org

- **Your Giving Journey:** where to start
- **A Guide to Giving:** the essential handbook for philanthropists, with a framework for effective giving
- **The Philanthropy Directory*:** the comprehensive guide to the wide range of charitable services and products for UK givers

* All organisations mentioned in this article are listed in *The Philanthropy Directory* on our website.

Top tips for the giving season

By Roxanne Clark

Giving effectively means different things to all of us and Philanthropy UK has regularly sought the insights of an eclectic range of influential individuals, who have contributed their advice in the Top Five Tips column of this newsletter. As this is the season of frenetic generosity we offer you an inspiring selection of their top tips to support more thoughtful giving.

Lord Victor Adebowale CBE, chief executive of the social care charity Turning Point (September 2007)

Invest rather than give. Take a long-term attitude to your contribution, and make sure any conditions are mutually agreed, and not opaque and overly demanding on the organisation.

Jon Snow, presenter of Channel Four news and chair of New Horizon youth centre, of which he was director 1970-73 (June 2007)

Core funding: So many funders balk at much of a commitment to core funding. So many want to fund new initiatives...but the base costs of a project are what keep it alive... What we need is core commitment!

Sarah Brown, president of the charity PiggyBankKids, which she founded in 2002, and married to Gordon Brown, the Prime Minister (March 2007)

Don't go away too suddenly. Of course, new directions will be attractive, but do signal early to funding recipients if you are not going to keep up your support so that they can start to look elsewhere.

Andrew Philips, solicitor and 'former' Life Peer who founded Bates Wells & Braithwaite (December 2006)

Keep things simple; go with your instincts. Be adventurous with at least part of your giving, and get as close to your beneficiaries as you can.

Geraldine Peacock CBE, previously chair of the Charity Commission and chief executive of Guide Dogs for the Blind (September 2006)

Be bold. Be imaginative. Where necessary, challenge orthodoxy with conviction.



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"AND TODAY WE'RE INTERVIEWING A LONG TIME AND WELL KNOWN PHILANTHROPIST..."

Spotlight: *corporate foundations*

Editorial: Toward a better model of corporate foundations

by David Emerson

There has been increasing recognition in recent years that the benefits a trust or foundation can bring go beyond just the monetary value of their grant-making, and of the original philanthropic gesture which enabled that, to encompass their independence. It is this that gives them the freedom to speak and act in ways not always possible for most other organisations in society. And as the reports from the SMART Company have demonstrated, the growth of corporate foundations has been a welcome and hugely beneficial contribution to this philanthropic scene. However, the position in which two corporately supported foundations have recently found themselves suggests that without an endowment, or another secure source of income other than regular payments from the parent company, independence may be more in question for such foundations.

Very much in the public eye has been the Northern Rock Foundation, where the activities of the Northern Rock bank, completely outside the control of the Foundation, certainly threaten the income flow to the Foundation and thence the charities it supports, and even perhaps the existence of the Foundation as a substantial entity.

In a situation which has been changing almost daily since September, things will certainly have shifted again by the time these words are read. But at the core, the Foundation is supported through an annual donation of 5% of Northern Rock plc's pre-tax profits, so if there is no bank or no profits, clearly there can be no income flow to the Foundation. However good the Foundation's financial planning and management, it does not have any other funding or income to rely upon to maintain any of its work in the future.

In a similar way, while it had always been expected that the board of National Lottery operator Camelot Group would wind up the Camelot Foundation by 2009, it was not anticipated that the Foundation would be told this September – just a month after the lottery licence renewal – that its funding would actually end immediately, leaving the foundation's budget £2m short. Again, this is completely outside the Foundation's control, and it too is dependent on income flows from the corporate body. And it too will have to cease funding many good causes, in some cases abruptly so. The Foundation is now set to close in March 2008, and all staff will be made redundant.

“So is this risk – the lack of control over their existence – a price worth paying for the benefits that corporate foundations can bring?”

Or is there a better model we can find at the point of establishment of such foundations? This would be a model that, alongside providing immediate social returns to the company, would also build a secure endowment or other long-term fund to secure some greater independence for the foundation, as well as greater security for the charities being funded.

Without that, the greater risk I see ahead is that of the corporate sector as a whole being tainted with a cavalier reputation about the way it regards charities, and even philanthropy.

David Emerson is chief executive of the Association of Charitable Foundations

*“A foundation requires responsibility
but gives legitimacy”*

Corporate foundations: from benevolence to philanthropy

By Susan Mackenzie

As corporate social responsibility (CSR) continues to move up the board room agenda, one area of CSR – community investment – continues to lag behind. Corporate giving stubbornly remains at around 3% of total voluntary sector income, whilst average corporate giving as a per cent of pre-tax profits is well below 1%.

Yet these statistics belie the good work that many companies and their corporate foundations are doing, and the impact that they are having, in their communities. Indeed, the current financial difficulties faced by Northern Rock Foundation and Camelot Foundation (see lead article in this section) underscore the significance of their funding to the charities and communities they support.

They also highlight the distinctive risks of corporate foundations – such as their reliance on a sole funder and the challenge of balancing the time and investment necessary to achieve longer-term, social impact with the pressures of corporate reporting of shorter-term financial results.

Accountability and legitimacy


The benefits of a corporate foundation are many. First, by definition a foundation's purpose is charitable, so its grants cannot be confused with sponsorship and marketing. Similarly, because its staff are professionals focused solely on their charitable work, their primary expertise is in grant-making. In contrast, CSR staff may wear multiple 'hats', for instance also having responsibilities in marketing or human resources.

Furthermore, because the foundation is at arm's length, it

mitigates reputational risk to the company whilst also freeing the foundation to take risks in its grant-making and to provide longer-term funding. Foundations also tend to measure their impact more systematically than do CSR departments, and typically are more accessible to grant-seekers and the general public.

“A foundation requires responsibility but gives legitimacy,” says David Emerson, Chief Executive of the Association of Charitable Foundations (ACF), which hosts Philanthropy UK. It also can play an important role the company's ability to recruit top-quality talent. A survey published earlier this year by Deloitte¹ revealed that almost two-thirds of 'Gen Y' – the 'Internet generation' who were born between 1977 and 1995 – want to work for companies that allow them to incorporate community involvement into their professional development, but that this must be “authentic” corporate social engagement, and not simply a marketing campaign.

Benevolence and philanthropy

Despite these benefits, deciding whether to set up a corporate foundation is not always straightforward, and there is no right or wrong answer: it depends on the company and its objectives. But *“it is important to have clarity in making this decision”*, says David Carrington, 



The Vodafone Foundation supports Shelter campaigns. © Shelter

Chair of Philanthropy UK's Editorial Board and an independent consultant. As past Director of The Baring Foundation, he led the rebuilding of the Foundation after the loss of its main source of income in 1995.

Sarah Shillito, Head of The Vodafone UK Foundation, agrees: *"The company must decide whether it makes sense for the business. Is it purely benevolent – that is, just to 'do good' – or is it strategic, with an objective of making a real difference in a particular space?"*

Research by The SMART Company² revealed that, whilst many foundations seemed to have been established to provide a structure for the company's charitable giving, the exact reason for their creation often is not known. Alan Eagle, Manager of Abbey Charitable Trust and Chair of ACF's business foundation network, advises companies to ask themselves some hard questions: *"How is the foundation seen by the company and its employees? Is it really needed, and wanted? Or is it merely an extension of the company's CSR programme?"* Eagle also explains that reasons for setting up a foundation have evolved. For example, Gift Aid has obviated the need to set up a foundation purely for tax relief (although this applies only when giving to UK charities).

Furthermore, existing foundations may have outlived their original purpose. CSR is still a relatively new concept, and many of the older foundations preceded formal CSR initiatives. Another example is building society foundations, most of which were set up in the late 1990s to protect against 'carpet-bagging', but since have established their own identity as respected grant-makers.

Scale and responsibility

As corporate foundations grow in size and impact, so does the potential risk to the charities and communities they support. Shillito observes that there is potential for real damage if you are a significant funder: *"The easiest, and least risky, giving is to make a one-off grant and then walk away. However, that goes against what charities want as well as accepted best practice. Writing only one cheque is lowest risk, but it offers limited riches."* This impact is not limited to geographical regions, but also can apply to particular funding areas, especially less popular causes which have difficulty attracting funding.

Emerson commented: *"With scale comes greater responsibility."* And there are a number of measures a company can take to help ensure the stability and sustainability of its foundation.

First, companies can provide their foundations with a stable income. For example, with multi-year funding foundations do not need to negotiate a donation each year, which creates uncertainty and inhibits longer-term grant commitments. Vodafone UK Foundation negotiates three-year funding commitments on a rolling, annual basis. Alternatively, guaranteeing income as a percentage of profits provides a firm commitment, but payments can be uneven and unpredictable. Lloyds TSB – which donates 1% of its pre-tax profits to its four foundations – addresses this risk by calculating the current year's donation based on an average of the last three years' pre-tax profits.

Another option is for foundations to apply an unusually significant donation in a particular year towards an

“Companies have a responsibility to their communities, and should build this legacy into the foundation”

endowment or towards its reserves. “An endowment provides independent finance so that the foundation progressively has its own resources”, Emerson commented.

Governance is another important area, and the foundation’s board should include some independent trustees. Carrington explained, “The role of trustees is to represent the foundation as an independent charity, and to protect the foundation’s interests – interests which sometimes may be in conflict with those of the company sponsor.” Emerson added, “The involvement of independent trustees can help to mitigate the dependence of the foundation on its main funder.”

Diversifying income sources may be an option for some corporate foundations, although this can be tricky and risks compromising the foundation’s relationship with its corporate sponsor.

The foundations themselves also have a role to play. Lisa Parker, Chief Executive of the Nationwide Foundation, says that, “The onus is on the foundation to be seen as a valuable asset.” It is important for the foundation to be able to communicate its activities and value to the company’s management, its employees, as well as other stakeholders. For instance, Nationwide customers recently voted for 1% of the company’s pre-tax profits to go to charitable causes, which will include the Foundation.

Risk and sustainability

If the foundation reaches sufficient scale, then the company should begin thinking seriously about sustainability – not necessarily of the foundation itself, but rather of the communities it supports.



Alan Eagle, Manager of Abbey Charitable Trust, presents a donation to Hampstead Theatre for £12,750, which enabled the theatre to establish an outreach education programme with groups of disabled people who are not currently accessing the theatre. © Hampstead Theatre

Given the unpredictability of corporate foundations’ own income, best practice suggests that when making multi-year grants (even when there is no ‘break clause’), the full amount should be made against the current year’s income, and that the foundation hold sufficient reserves to fully fund all existing commitments (see sidebar on Charity Commission guidance).

A foundation might also offer non-financial resources, such as the time and expertise of the company’s employees; however there is potential for this to create even greater dependency.

Corporate foundations know well the risks of relying on a sole funder, and so should help the charities they support

to reduce the same dependence. This may involve tapering, or phasing out grant payments gradually, and being clear from the outset how the foundation will exit the funding relationship. “It is important to ensure sustainability from the outset,” says Shillito, “We want to be sure that our funding is not just postponing a problem.”

Corporate foundations also might choose to diversify their funding area. For example, Vodafone UK Foundation focuses on “young people aged 16-25 years old who face exclusion, or who are already excluded, from society”. However, these individuals face a variety of issues – from housing to crime to emotional well being – and so Vodafone is likely to provide support alongside other, specialist funders.

The ultimate risk to a corporate foundation and its beneficiaries, of course, is the demise of its corporate sponsor. The company may be acquired, move out of a community, or its business may fail. Yet, whilst such dire circumstances generally cannot be foreseen, the company often can make provisions for the continuation of its charitable work. “Companies have a responsibility to their communities,” says Eagle, “and should build this legacy into the foundation”. “It is not just a question of what is legally binding, but what is morally binding”, Shillito added.

Good practice examples abound. For instance, Royal London Insurance, a significant employer in Colchester in Essex, shut down its office following the buy-out of United Assurance in Wilmslow, Cheshire, and most of the staff were made redundant. When they left, they gave a parting gift of £15,000 to the Royal London Community Fund which the Foundation endowed, and the Fund still gives one or two grants a year to support charities in the Colchester area.

Another example is British American Tobacco (BAT), which set up a Legacy Fund with the Hampshire and Isle of Wight Community Foundation. Although BAT were not leaving the area they had closed down their production in the region with the loss of low paid jobs. The company also established an endowment of £450,000 and contributed to the core funds of the Community Foundation. Peter Stewart, Head of UK and Ireland Operations for BAT, explained that the programme would “establish a long-term legacy, [which would] give priority to improving skills and training in the local area, supporting the wider community, and attracting further funding for worthwhile projects”.

Parker concludes, *“The demise of a corporate foundation can leave a sudden and significant hole in voluntary sector funding. Government and the Charity Commission should get behind corporate foundations. They are a small but important percentage of charitable giving.”*

¹ Deloitte & Touche USA LLP, 2007 Volunteer IMPACT survey, <http://www.deloitte.com>.

² The SMART Company, Revealing the Foundations: a guide to corporate foundations in England & Wales, 2005. <http://www.thesmartcompany.net>.



Storybook Dads, who are funded by The Nationwide Foundation, receiving the award they won at the Charity Awards 2007.

Charity Commission guidance

<http://www.charitycommission.gov.uk>

- CC3 – The Essential Trustee: What you need to know: addresses the responsibilities of trustees
- CC14 – Investment of Charitable Funds: Basic Principles: address issues around a foundation owning shares in its company sponsor
- CC19 – Charities’ Reserves
- RR7 – The Independence of Charities from the State: addresses issues of independence of charities and their trustees
- SORP 2005 paragraphs 154-163: on grant commitments

Further resources

Association of Charitable Foundations: www.acf.org.uk

The Philanthropy Directory:
[www.philanthropyuk.org/Resources/ThePhilanthropy Directory](http://www.philanthropyuk.org/Resources/ThePhilanthropyDirectory)

Bed-Rock of the Northeast

By George Hepburn OBE



It is salutary to recall that only at the beginning of the year, Northern Rock was the toast of the City for its commercial acumen. Nobody, they say, could have predicted this turn of events and its impact on one of the UK's largest charitable grant-makers. It is not the first time that a corporate foundation has fallen on hard times. The Baring Foundation, which also was a major benefactor in the North East, suffered a similar fate in 1995 and the Camelot Foundation is now facing premature closure because pledged funding has not arrived. Perhaps a corporate funder should be required to protect itself by holding a wider range of assets. Perhaps we should accept that the fortunes of our funders, either individual or corporate, wax and wane and that their generosity should be not taken for granted forever.

Northern Rock Foundation (NRF) started with a grants programme of £6m and has grown with the success of its parent company into a planned programme of £30m this year. It benefits the North East and Cumbria where the company is based, and has become the most important independent funder of voluntary organisations in the region – and a well respected friend and supporter of the sector.

NRF has won awards for its grant-making and launched innovative programmes on domestic violence and penal

reform. It has made leading contributions to the major capital appeals in the region – like the recent renovation of Newcastle's Theatre Royal. Its support will often unlock contributions from grant-making trusts further afield whose most common opening question will be, "*what has Northern Rock Foundation done to help you?*"

Last year, the Foundation undertook an extensive consultation of stakeholders to develop policies and programmes appropriate to its growing wealth. It had begun working with Carnegie Trust and others on a social change agenda and envisaged a growing role in the policy arena, which is no mean achievement for a grant-maker with a corporate parent.

Following the run on the Bank in early September and the subsequent collapse of the share price, Northern Rock Foundation has had to revise its plans. It is able to honour all existing grants commitments, and, because of prudent development of reserves, to continue grant-making with a reduced programme of £7m in three programme areas for 2008. The Foundation will continue to fund some of the most pressing issues, including mental health, domestic violence and penal reform, but many other groups that have become accustomed to generous levels of support will have to look elsewhere. ►

The support in the region has been phenomenal. Led by the *Newcastle Journal*, messages of support for the voluntary sector and new deposits in the Bank, including from prominent local people, have flooded in. Six thousand Northern Rock plc jobs are at stake in the region in exactly the high-skill services industries where the North East wants to make its mark. The value of Northern Rock Foundation's contribution to the social and cultural life of the region has been endorsed by political leaders of all hues. Some of those planning to take over the Bank, including Sir Richard Branson, have made clear their intentions to continue the Foundation's good works. But none have yet committed themselves to a definite figure.

The trustees have acted robustly to announce 'business on a reduced scale' for the next twelve months but they will feel their fate and fortune is largely in others' hands. If the Bank is sold, then the Foundation receives 15% of the share value, but the share price is at the mercy of the markets. If the Bank becomes part of an enlarged group, like Virgin Money, then the new owners will decide on whether to continue providing charitable support. It may be some time before the future is clear. By contrast, Barings collapsed overnight but the Baring Foundation, to its great credit, turned itself around and is still a respected member of the grant-making community. There is every prospect that Northern Rock Foundation will do the same.

George Hepburn OBE is chief executive of Community Foundation for Tyne & Wear and Northumberland.

“The value of Northern Rock Foundation’s contribution to the social and cultural life of the region has been endorsed by political leaders of all hues”



Amanda Jordan



SMART Company research reveals foundation models

By Amanda Jordan

Research published earlier this year by The SMART Company revealed the diversity of corporate foundations in terms of their role and activity, and identified three primary foundation models. *The changing nature of corporate responsibility: What role for corporate foundations?* commissioned by CAF, is the second in a series on the role and nature of corporate foundations. The research is based upon interviews with twelve companies and their foundations as well as with 20 charities which have received some form of corporate funding, and key opinion formers. The research focused on foundations without a fixed funding formula (so excluded models like the Lloyds TSB Foundations) as it was assumed that annual funding would mean a close relationship with the company.

Three models

The research revealed three different models of foundations. The first is foundations as grant-makers. These foundations play a role along side the company's community involvement programme in making grants to a range of community and charitable organisations. Case studies in the report of Vodafone Group Foundation and the Abbey Charitable Trust illustrate how foundations do this in an effective manner.

Another group were however found to be in 'transition'. The original reason behind the establishment of the foundation had gone and its current role was being reviewed to ensure that it could continue to meet the company's objectives in the future. For example, the Chelsea Building Society was originally set up as part of a defence against 'carpet bagging'. This is no longer an issue and the foundation has undertaken a strategic review to ensure that it continues to play a useful role. In *Revealing the Foundations*, our first research report, it was found that there are many foundations in this position, not just those set up by building societies. These include some that have been in existence for some time, often set up to mark an anniversary, but whose original 'raison d'être' has now gone.

Lastly there are foundations which are focused on a specific issue and have been set up as an opportunity to further a particular aspect of a company's CSR programme. The Waitrose Foundation (amongst others) is cited as an example of this approach. The foundation was set up in 2005 specifically to help improve the welfare of farm workers in South Africa, and is funded through a partnership between Waitrose, its fruit importers, exporters and local farm owners in South Africa. The

foundation is registered in that country and is the only case study in the report which isn't registered in the UK.

A new framework

Overall the report's findings emphasise the conclusions drawn in *Revealing the Foundations*: that corporate foundations are extremely diverse in role and activity. The report suggests however a move away from the traditional 'integrated/independent' distinction, and instead proposes a new framework, outlined by the three models described above. The report indicates the essentials of a corporate foundation, good practice considerations and highlights the different roles that foundations can play.

- ▶ Both reports are freely downloadable at www.thesmartcompany.net.

Amanda Jordan is chair and founding director of The SMART Company, a specialist corporate responsibility consultancy.

Philanthropy UK: *interview*

John Low, Chief Executive, CAF

Engineering change

By Susan Mackenzie

An electronic engineer by training, John Low has spent most of his career in the private sector. His work, much of it international, focused on change management: as he described it, “solving problems in hostile environments”. In 1999 he joined RNID and became its chief executive in 2002. Low believes that his business skills apply equally well to managing charities – as both ultimately are about people, innovation, creativity, tackling problems, and continual improvement of performance. Of course, the stakeholders and measures of success are different, but success requires the same professional management.

In September of this year he took the helm of the Charities Aid Foundation (CAF). Low is in his element: an organisation in the midst of change, CAF has recently completed a wide-ranging strategic review. He met with Susan Mackenzie at CAF’s London offices to talk about UK philanthropy, the problems facing donors and charities, and how CAF is rising to the challenge.

Philanthropy UK: *What are the biggest problems facing philanthropists today? How will CAF tackle this challenge?*

John Low: Good philanthropy is hard work. The first challenge is in selecting charities. The range of causes is bewildering, and the plethora of choices can lead to inertia. Sources of independent advice are still relatively limited. Another challenge is in measuring impact. There are things that cannot be quantitatively measured, and donors should not be prescriptive. It is important for donors to be able to trust the charity. If they cannot, then it may be best to look elsewhere.

CAF is about helping donors, not just encouraging them. For instance, we help donors think through their objectives as well as provide practical support. This can include advising on how to call for grants and how to assess them. We also help them manage their funds to achieve the best financial return. Our goal is to support the donor to make the donation they want.

P-UK: *Over the past five years there has been significant growth in the number of philanthropy infrastructure*

organisations. What is CAF doing to support philanthropy, and how does it differ from other providers of philanthropy services?

JL: CAF is a charity, and so there is no point for us to exist if others are doing the work better. There is no preciousness about it. However, I believe that we are adding value to the sector in a variety of ways. For example, we have a lot of experience supporting companies in their philanthropy. This includes advice on grant programmes, matched giving, or setting up a trust fund. Moreover, it is difficult to separate companies from high-earners, who are their employees. Companies typically give in three ‘tranches’: through the company, its employees and its trust fund – yet for CAF it is one relationship.

CAF also has an extensive international network, which enables us to provide a universal service offering. Many wealthy individuals generate their wealth through international activities, and so need a global solution. Finally, through Venturesome CAF offers a social investment vehicle for individual, foundation, and corporate donors.

“...at its best, philanthropy can fund risk-taking or unfashionable projects that democratically elected governments or corporates may be wary of supporting.” Matthew d’Ancona, editor, *The Spectator*



John Low

P-UK: *How is CAF evolving in this changing environment?*

JL: CAF is one organisation serving both donors and charities. In 2006 over 30,000 charities received a donation via CAF. We do many things well, but we also need to modernise, to continually innovate and to improve customer service. However, this is not just about structural change, but rather it is about systems, processes, and ways of working. We want to be a ‘doing’ organisation. And we will do more things in partnership to achieve our objectives.

P-UK: *You have said that CAF should actively seek to promote tax-efficient giving. How helpful do you think that Lifetime Legacies would be in encouraging more giving?*

JL: Lifetime Legacies would be very helpful in promoting giving. I think that the value will become clearer in time as more people have more money, and they will want more control over their ‘lifetime money’. For example, individuals might be reluctant to give away capital for reasons of financial security, but might do so if they can maintain the income. This control over one’s own resources feeds the free association of people to aid society.

P-UK: *Based on your own experience as a charity chief executive, what main problems do you believe charities face in working with major donors?*

JL: Major donor development can be excruciatingly difficult for charities. There are simply too many donors to take a bespoke approach to all, so the starting point is hard. Also, the cost of cultivating donors is high, and requires a massive upfront investment with no certainty of outcome. Donors generally do not appreciate the resources required.

P-UK: *What advice would you offer new philanthropists?*

JL: I would first advise donors to ask themselves several fundamental questions: Why do you want to give? What bothers you – what is the injustice? What challenges you as an individual? Then they need to work hard to find who or what can help them achieve their objectives. These could be charities, other donors, colleagues or friends, as well as professional advisory services. Finally, I would encourage donors to open up and share their experiences. It is in vulnerability that good philanthropy blossoms.

P-UK: *Thank you*

Letter from America

Giving in the USA

by *Melissa Berman*

Giving in all forms is growing in the United States, and is now in the neighborhood of \$300bn annually. More than half the foundations in the US have been created in the last 15 years. As a result, the market downturns earlier in this decade had a relatively minimal effect on overall foundation giving. The explosion of donor-advised funds is equally remarkable: from \$5.5bn to nearly \$20bn in assets in merely a decade. More donors are new wealth-holders than ever before. A generation ago, about 40% of American wealth came from inheritance. Now it's about 15%. US households with assets over \$50m give an average of over \$1m each annually, and two-thirds of wealthy households report that their giving has increased in the last five years. In two recent surveys, wealth-holders say they donate because of conviction and commitment, not tax and estate planning. They also report, again based on two separate but similar surveys, that they'd give more if they trusted non-profits more, had more information, saw lower administrative costs, and knew more about impact.

We have, in other words, entered an era of enormous possibility and promise for making a better world. Yet

there are also striking changes ahead in how philanthropy is conceived and carried out.

First of all, aspirations have grown. Donors are emboldened to think big. In part, it's because of a virtuous cycle: philanthropy is now big news, and coverage of philanthropy itself inspires more philanthropy.

Second, there's an emerging expectation that individuals and families of significant means should be actively involved in philanthropy.

Third, it seems possible to many more people that their philanthropy can fund the solution, not just address the problem. That's emboldening many donors to think big – in terms of the issues they will fund, the amount they will commit, and the level of their involvement in the giving.

Health care, microfinance, global warming, and the UN's Millenium Development Goals all have a much higher profile in publications like *Fortune* and the *Financial Times*. And increasingly, the coverage is focused on solutions, not problems. Muhammad Yunus, the founder of the microcredit and microfinance movement, won the Nobel Peace Prize last year. Al Gore won the Nobel Peace Prize this year not only for alerting the world through *An*

This new editorial will feature an American perspective on recent trends and topical issues in philanthropy.

We are delighted to welcome new columnist Melissa Berman of Rockefeller Philanthropy Advisors, which helps donors create thoughtful, effective philanthropy throughout the world.



Melissa Berman

“Many donors now think in terms of projects and initiatives, not grants and gifts”

Inconvenient Truth, but also for offering a route to addressing the climate challenge.

Because the opportunity to achieve impact seems clearer than ever, donors are jumping in with both feet much earlier in their lives. And with earlier giving, it seems, there's a greater intensity of involvement. Many donors now think in terms of projects and initiatives, not grants and gifts. The number of operating foundations is on the rise, according to the Foundation Center.

For many donors, this focus means that 'giving while living' is powerfully attractive, and there's preliminary evidence that more people are making donations while living rather than expressing their charitable impulses posthumously, in bequests. In other cases, it translates to a decision to spend down a foundation's endowment in a predetermined amount of time. The Atlantic Philanthropies' commitment to spend down its endowment by 2020 is getting careful attention from many donors. Most notably, the decision by Bill and Melinda Gates to spend down their foundation within 50 years of the last trustee's death is a stunning endorsement of giving intensively.

Increasingly, US wealth-holders are looking at all their assets. That can mean going past traditional giving and straight to investing. As philanthropists begin to look at their capital (and not just the income it throws off) some begin to ask how that capital is invested from a holistic perspective. Shouldn't the principal reflect the principles, they ask? That debate is in its early stages – but where there is attention and money, there will be solutions

developed. The field of mission-related investing will look vastly different five years from now.

This is indeed a tremendous period of foment. But the convergence of commitment, capital and ideas is tremendously exciting for all of us who are privileged to participate in philanthropy.

Melissa Berman is President and CEO of Rockefeller Philanthropy Advisors.

Giving news

Proactive philanthropy gets bigger with new project-based website

By Roxanne Clark

“Intelligent” giving is the motivation behind Alec Reed’s newest philanthropic venture, The Big Give, a website that aims to encourage high-net-worth (HNW) philanthropy and give charities the chance to attract project funding of up to £10m.

Launched to charities in October, the website is already advertising around £940m worth of projects, and though the site has only just been launched to potential donors it has already attracted considerable interest from philanthropists.

Alec Reed CBE, founder of the Reed Recruitment Group, has pledged to spend £1m promoting the site to HNW individuals, corporate foundations, grant-making trusts and legacy advisors. A key factor of the site’s uniqueness is that it allows major donors seeking to give over £100,000 to search quickly and discreetly for charitable projects in their field of interest, filtering their search options by donation amount, geographical location, cause and type of beneficiary.

Currently there are over 1,900 projects from 3,400 charities, all of whom must be registered with the Charity Commission. Thanks to a donation from the Reed Foundation the site is free to all users.

The screenshot shows the 'theBigGive' website interface. At the top, it says 'theBigGive helping big donations go further'. There are navigation links for 'Find Projects', '£10 million+ Projects', 'Magic Wand Projects', and 'Off the Wall Projects'. The main search area is titled 'Find Projects' and includes a 'Hide dashboard' link. The search filters are:

- Amount:** A vertical slider ranging from £100k to £10m.
- Sector:** A dropdown menu set to 'Any Sector' and a circular menu with categories: Culture & Sport, Health & Disability, Society & Work, Education, Emergencies & Development, Environment & Animals, and Welfare & Rights.
- Location:** A dropdown menu set to 'Any Location' and a world map.
- Beneficiaries:** A list of icons for Children, Young People, Women, Men, and Elderly.

 Below the search filters, a text box states: 'The Big Give is a free to use website that helps major donors find high-level charity projects in their field of interest.' At the bottom, there are logos for partner charities: THE NATIONAL TRUST, MB, CANCER RESEARCH UK, NSPCC, P, MENCAP, IISS, and WE ARE MACMILLAN. A 'view all charities' button is also present. At the very bottom, it shows '1,790 projects' and '£892,550,000 required', along with a footer containing 'Blog | Success stories | About us | Disclaimer | Privacy | Legal | Tell a friend' and '© theBigGive 2007 | Funded by the Reed Foundation, registered charity 254728'.

“The Big Give is about making philanthropy proactive,” explains Jon Brooks, Managing Director of The Big Give. “At present giving is very reactive with donors being approached by charities and individuals, and this site gives potential donors the opportunity to take their time to discreetly and anonymously look at projects they are interested in. It empowers them to make the call with increased knowledge.

“It is also more attractive to the newly wealthy who may be considering giving on a large scale, and without too much effort they can begin to research, while established foundations can also use the site to source future projects.”

The featured projects range from well known charities such as The National Trust seeking £1m to restore Tyntesfield House through to smaller charities such as Transplant Links, which is seeking £100,000 for its' Kenya Kidney Transplant Programme. The site also includes sections on 'Magic Wand' and 'Off the Wall' projects for all donor interests.

Charities also have the space and chance to think intelligently about how they define and promote their projects. *"The Big Give is levelling across all areas of charities, and it is up to them to provide the information in an accessible and attractive way,"* said Brooks.

In this way the site differs from a potential competitor in the field, Oxfam's recently launched Projects Direct website. Brooks explained, *"We do see that we support each other in the marketplace, and Oxfam's site is brilliant, and gives detailed reporting on their projects. The difference is that we are opening the door for philanthropists to research and seek new projects, across a variety of causes, discreetly."*

The site also offers potential donors information on next steps, with advice on giving effectively written by Philanthropy UK, and invites interested donors to contact staff at donor@theBigGive.org.uk or 020 7201 9980 to discuss their interests and how The Big Give can help them in giving intelligently.

► www.thebiggive.org.uk

Quick steps to finding your perfect project

1. Go to www.theBigGive.org.uk
2. Choose the donation value, cause, geography and beneficiaries of your ideal project
3. View the "Big Idea" of every project in the search results
4. Select a project for more details and contact information for the charity
5. Further research: follow the links on www.theBigGive.org.uk to view the charity's accounts on the Charity Commission website, read Intelligent Giving's rating of the charity's transparency, or give the project manager a call (their direct line is displayed on the project page) to discuss the opportunity in more detail.

Newspaper appeals: more than just the money

By Jane Thomas

Newspapers are powerful fundraisers: Christmas Appeals have raised millions of pounds for charities and charities compete to become a paper's named beneficiary. But increasingly the value lies more in the coverage than in income generated from readers' donations.

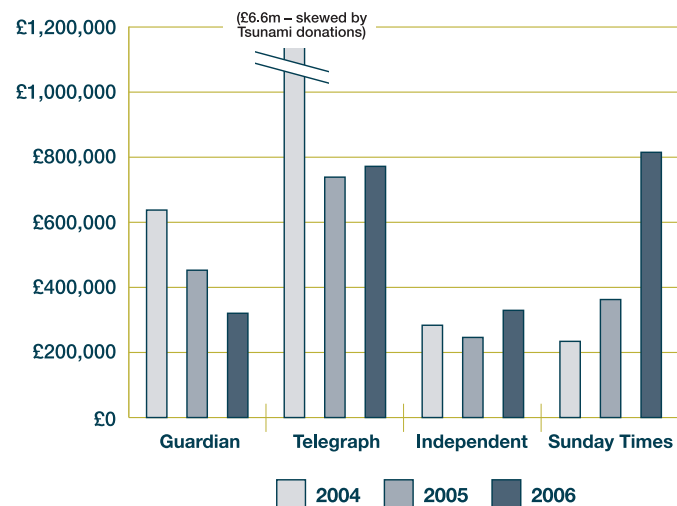
Both *The Times* and *The Guardian* are bumping up coverage of their appeals this year. *"This year's appeal is unique because it will run over three years and we'll be reporting in depth every day on progress through the web, paper, video and audio,"* says Jo Confino from *The Guardian*.

Rosemary Bennett, *Times* writer, echoes this. *"We've got much bigger coverage this year. On top of this, we're pushing to get the appeal across other areas, from the T2 magazine through to the sports pages."*

Both papers are featuring international charities this year. *"Millions of pounds are donated to development but outside the glossy marketing, people don't know if their money is making a difference. We're hoping to inject some transparency and look at whether the money is changing lives,"* says Confino. He does admit though that the paper's domestic appeals, like *The Observer's* 2006 Appeal for UK mental health charities, didn't raise as much money as hoped. *"People just don't seem to want to give to domestic appeals,"* he says.

"Donors are not great at understanding that there are some costs they need to pay for as part of their giving: not everything can go directly to the beneficiaries." Daniela Barone-Soares, chief executive, Impetus Trust

Amount raised by four newspapers' Christmas Appeals (2004-2006)



The Times is featuring an international charity, Riders for Health, alongside two domestic charities. The publicly appealing work of Riders for Health, which provides motorbikes so health workers can reach inaccessible areas, was part of what attracted Bennett. *“This charity just leapt out at me,”* she says. *“As a journalist I have to think about good stories and battle to get readers’ attention, and I’d never seen anything about this organisation before in a paper. The charity was also able to sustain 10-15 different stories over a month. We don’t want readers thinking, ‘Didn’t I read about this the other day?’”*

The Guardian is also encouraging readers to give over a longer period. *“There had been negative feelings about highlighting an issue, raising money, handing it over, and then just saying goodbye”* says Confino. *“This time we really wanted to engage readers and we also feel it’s really important for the charity to have a committed income”.*

The Times and The Guardian have both secured corporate match funding for their appeals. This matched funding partnering is a trend that looks set to grow and is being adopted by a number of the papers, such as the Financial Times which, for the first time, has secured matched donations.

“It’s the biggest sponsorship deal we’ve ever done,” says Confino, talking about The Guardian’s partnership with Barclays. This year is also the first where the Guardian/Observer group have put their money where their mouth is and donated £100,000 from their own corporate giving budget to the project.

Will it matter if donations drop or plateau as long as in-depth reporting increases? The papers seem clear on what their main role is. *“It’s never been about how to raise the*

most money or how to beat last year’s figure,” says Confino. Bennett echoes this position. *“I’m really clear with the charities that the crucial, most valuable thing we can offer them is publicity,”* she says, *“because we just can’t ever know how much money we’re going to raise”.*

Jane Thomas is Marketing Executive at New Philanthropy Capital.



Jane Thomas

Round-up of the latest philanthropy research

By *Beth Breeze*

Like waiting for a bus, there's been little new research on UK philanthropy for ages and then four come along together.

The 21st Century Donor, published by the research consultancy nfpSynergy, is based on public attitude polling and focus groups and is aimed at helping charities to understand modern givers. *The Changing Face of Philanthropy: today, tomorrow and beyond* is described in pseudo-parliamentary language as a 'white paper' by Barclays Wealth and draws on surveys and interviews with wealthy clients plus comments from a panel of philanthropic 'thought leaders'. *Wealth and Philanthropy: the views of those who advise the rich*, produced by the publishers of this newsletter, Philanthropy UK, is based on a survey of advisers to high-net-worth individuals. Finally, a new report produced by Scorpio Partnership and commissioned by New Philanthropy Capital (NPC), wise partnership and Bertelsmann Stiftung, *Advice Needed: Philanthropy among ultra high net worth individuals and family offices in Europe*, compares dynamics of the giving experience in the UK, Switzerland and Germany and is based on interviews with 34 individuals and family offices.

Given the dearth of evidence-based material, all four reports are welcome but are likely to prove useful to quite different audiences.

NfpSynergy's offering is likely to be of more use to small charities trying to cultivate ordinary donors than big brand names hoping to identify major philanthropists. The report offers a quick and entertaining trot through key demographic trends, cultural change and technological developments; describes key trends for fundraising and provides ten concrete action points to help charities raise money.

The **Barclays** paper is a more sober read which examines the current climate of giving amongst the very wealthy. It is disappointingly light on facts and figures, given the datasets promised in the introduction, and is overly reliant on the opinions of the eminent, yet small, panel of 'thought leaders'. It concludes that philanthropy will become increasingly important to wealthy people in the UK, and that their strategic approach to giving will require greater professionalism from charities and more neutral external advice.

Philanthropy UK's study is based on a survey of advisers to high-net-worth individuals, and builds on an earlier influential study, *Why Rich People Give*, published by Philanthropy UK in 2004. The new study provides a qualitative assessment of trends in attitudes towards and practices in giving by Britain's wealthy. Key beliefs held by professional advisers include: more wealthy people are giving; more giving is occurring during the donor's lifetime; donors are increasingly concerned about how effectively and efficiently their money is spent; feelings of financial insecurity are becoming less significant as a barrier to giving; and more individuals are seeking professional philanthropy services.



The **Scorpio** research, undertaken in three European countries, covers some similar ground to Philanthropy UK's report. It finds that wealthy individuals and families are struggling to find the support they need to launch their philanthropic initiatives. Donors are said to need greater help in aligning their personal objectives to their philanthropy, selecting suitable charities, networking with other donors and measuring the success of their donations. These challenges are said to present enormous opportunities for charities, advisers and donors themselves.

All four reports are freely downloadable:

The 21st Century Donor, by nfpSynergy:

▶ www.nfpsynergy.net

The Changing Face of Philanthropy, by Barclays Wealth:

▶ www.philanthropyuk.org/NewsandEvents/Latestnews/BarclaysWealthphilanthropystudyaffirmsPhilanthropyUKresearch

Wealth and Philanthropy, by Philanthropy UK:

▶ www.philanthropyuk.org/Resources/WealthandPhilanthropynewresearch

Advice Needed, by Scorpio Partnership:

▶ www.philanthropycapital.org/html/Research/family_office.php

Centre of Excellence first for UK philanthropy research

By Roxanne Clark

The UK's first independent, multidisciplinary, and academically based Centre for Charitable Giving and Philanthropy has now been established, with three programmes and a hub receiving joint investment of £2.2m over 5 years.

With the announcement in November of the successful bids to run the 'spokes', the question now being asked is how the Centre will become "a centre of excellence", as stated by its new Director, Professor Jenny Harrow.

These bids, now establishing themselves as research programmes, are as follows.

1. **Individual and Business Giving** – Professor Charles Harvey based at the Hunter Centre for Entrepreneurship, Strathclyde University
2. **Charitable Giving and Social Redistribution** – led by Professor John Mohan from Southampton University and Dr Iain Wilkinson at Kent University
3. **Institutionalised Giving Structures** – based at Cass Business School and Edinburgh University, and to be led by Professor Jenny Harrow and Professor Stephen Osborne.

Beth Breeze, Philanthropy UK's Publications Editor, and a researcher at Kent University, will be intrinsically involved in the research work of the second 'spoke' on Charitable Giving. She and Cathy Pharoah, the Centre's co-ordinating Hub's co-director spoke with Philanthropy

UK about their involvement in the research, aims, and projected outcomes; and how the Centre will become a centre of excellence.

The Centre is being jointly funded by The Economic and Social Research Council (ESRC), the Office of the Third Sector (OTS) in the Cabinet Office, the Carnegie UK Trust, and the Scottish Government. Cathy Pharoah, former director of research at Charities Aid Foundation, said, "A significant amount of money has been invested in this, and we'll be judged by our results.

"We see a key role as creating links between the different communities of interest and expertise. This is not all motherhood and apple-pie. It is about creating networks, forums and materials which stimulate genuine engagement and information-sharing, and have an impact on policy-makers, practitioners and research agendas."

With regards to becoming a centre for excellence, Pharoah said that the Chair of the Centre, Professor Nicholas Deakin, would have an important role in bringing the hub and 'spokes' together, and ensure that experience and knowledge is shared across all programmes.

This will be reflected in the developing programmes, and the first project for the Charitable Giving spoke, beginning in April 2008, will entail the mapping of the geographical distribution of charities and resources - a first for the UK - and will also replicate US methodology.

Breeze said, *"We know very little about how the distribution of charities and charitable resources relates to patterns of social inequality, for example, between rich and poor areas, or between urban and rural areas. This work will provide a detailed analysis of this question."*



Cathy Pharoah

"Alongside the other research the Centre's spokes will be doing, this will transform the evidence base both quantitatively and qualitatively, and will allow the UK to engage internationally. Finally we can say there is impartial and objective research into philanthropy."

A new report says that ethical finance is a growth market, with investment opportunities such as community wind farms.

©Picturenation.co.uk

Ethical consumers demand more

By Laura McCaffrey

Ethical finance needs to appeal to a wider audience, according to a new report by the New Economics Foundation (nef). *Going Green? How financial services are failing ethical consumers* calls on high street banks to develop new products and expand existing ethical finance initiatives.

It also says there needs to be stronger marketing information to attract high-net-worth (HNW) individuals into the socially responsible and ethical financial markets.

Ethical finance is a growth market. Socially responsible investment (SRI), ethical banking and credit union deposits are now worth £11.6bn, according to the 2006 Ethical Consumerism Report.

However, access to ethical financial products and services is not meeting demand. *"If the financial services industry is to move with the times, much remains to be done to increase the range of ethical products available to consumers, and to improve the ethical performance of our financial institutions,"* says the nef report.

It particularly emphasises the need to deepen the range of initiatives aimed at HNW individuals who want to be socially responsible investors. It also suggests more marketing and use of the media to raise awareness among wealthy individuals and a central website with up-to-date information on the ethical finance sector.



The author, Jessica Brown, Head of Access to Finance at nef, argues, *"Ethical investors are likely to be affluent individuals with a higher-than-average education and a greater willingness to purchase financial products with added ethical features; in some cases even if they have to pay more. These are attractive clients for financial institutions to have."*

A small group of ethical banks have seized this opportunity and developed social and environmental savings accounts, bonds and share offerings in areas such as community wind farms, social enterprise and ethical companies.

However, Brown points out that while *"SRI has demonstrated substantial growth and proven its potential for financial performance... these gains are still fragile, and require a stronger commitment from financial services institutions."*

Recommendations in the report include:

- There should be provision of simple, low-risk products from established high street names.
 - Banks should develop robust ethical policies across all their operations and be more transparent about their transactions.
 - SRI fund advertisements should appear in more mainstream press and place more emphasis on social and environmental factors.
 - There should be more partnerships between high street retailers and SRI retail products, for example, the new M&S ethical fund.
 - Government initiatives to build long-term savings should also incorporate ethical finance as an option.
 - Pension fund trustees should use their voting power to encourage greater environmental, social and ethical accountability from companies.
- The report is freely downloadable from www.neweconomics.org.

Sector voices strong reaction to call for scrutiny of charities

By Roxanne Clark

A call for a new independent body to scrutinise charities' performance and effectiveness drew a mixed reaction from across the sector. It has also been dismissed by Government.

In his speech to an audience at the RSA in November, Martin Brookes, New Philanthropy Capital's Director of Research, made a call for a new body to run parallel with the Charity Commission, and to produce performance data and rank charities by the value for money they deliver from donations.

Brookes argued: *"Outside the public sector, privately owned utility companies are assessed and regulated by Ofgem, Ofwat and other bodies. And publicly listed companies are scrutinised and assessed by an army of analysts in the pay of investors and banks as well as by specialist journalists.*

"All of these bodies and programmes involve independent scrutiny, analysis and, often, judgment", he said, adding, "The position of charities is very different. The Charity Commission, as official regulator, asks only if a charity is 'for the public benefit' in the language of the new Charities Act. In other words, is it legitimately a charity?"

In his lecture to the RSA, Brookes highlighted how increased external scrutiny and measurement had contributed to improved performance in other areas such as health and education and argued that the same mechanisms could work in the charity sector.

He went on to state that charities received a total of £1.3bn of subsidy through tax-efficient giving in the last financial year, and that private donors — *"that's you and me"* — give almost £9bn which impact is not adequately recorded or monitored.

The solution he recommends is a non-departmental public body, perhaps under the auspices of the Cabinet Office, which should report to a newly created House of Commons third sector select committee or the Public Accounts Committee.

As there was "little doubt" that the performance of charities varied greatly, Brookes said that an external scrutiny body, distinct from the Charity Commission, could make information about those variations available to donors, and this would give charities more incentive to improve.

The call was criticised by Stuart Etherington, Chief Executive of the National Council for Voluntary Organisations, who stated that setting up such a body would be "regulation gone mad" and would severely damage civil society.

Adam Sampson, Chief Executive of Shelter, was more positive in his response. He agreed with Brookes' argument in principle, which he believes has started a long overdue debate, and said that *"the relative absence of scrutiny and critique allows poor practice and inefficiency to go unchallenged"*. He recommended heeding a cautious approach, adding that *"any scrutiny system must value honourable failure as highly as it values worthy predictability"*.

Speaking at the ACEVO annual conference the following week, Martin Narey, the head of Barnardo's, agreed with



Martin Brookes

Brookes that scrutiny is important. Narey has undertaken to measure the impact of the charity's projects in the UK. He said: *"We need to do that for two reasons. First to demonstrate our effectiveness to the local authorities and others with whom we contract. But just as importantly, in an era where NPC and others are increasingly offering a commentary on charities' relative effectiveness, to demonstrate to beleaguered donors, both individuals and corporates, why they should give to us."*

The office of Phil Hope, the Minister for the Third Sector, said that efficiency and effectiveness is already being sufficiently studied by the Charity Commission.

One important outcome of Brookes' speech is that it has raised an uncomfortable issue and poked it above the parapet.

► Read the full speech at www.philanthropycapital.org.

Pilotlight expands across UK

By Nicola Hill

After helping over 100 small charities to expand in London, venture philanthropy charity Pilotlight is now furthering its own expansion plans. Over the next three years it wants to have a much wider reach.

In September, it opened an office in Scotland. It is also carrying out a feasibility study in Wales and the West Country with the prospect of opening another office. Within three years it hopes to have four offices in total.

Pilotlight works by matching business entrepreneurs with charity leaders to encourage growth and sustainability. It places teams of highly skilled business experts into small charities and social enterprises facing specific challenges. Each year it facilitates the donation of over £2m worth of skills.

According to Guidestar UK, there are over 40,000 small charities in the UK tackling problems at a community level. Pilotlight wants to reach more of these charities over the next three years.

Fiona Halton, Pilotlight's Director, says, *"The business talent is there, lying latent as far as the charities are concerned: the local heroes are there, battling the problems. We are bringing the skills of business into charity. It's about bridging two worlds."*

Over 90% of the charities Pilotlight has worked with have shown a significant improvement.

The charity JusB is one of Pilotlight's success stories. It provides outreach and youth centre work. Members of Pilotlight have helped to double the income from a fundraising campaign and to launch a new mentoring service.

Pilotlight is funded predominantly by its members, which include corporates, such as BP, Coutts and KPMG, as well as individuals.

The help it offers can range from financial management to income diversification or turning a business plan into reality.

Julie Wright of Unlock, a charity which supports reformed ex-offenders, says, *"It was a step into the dark – we didn't know what it would involve, but working with Pilotlight was the best thing we ever did. From not having a fundraising strategy at all, with Pilotlight's help we developed one which enabled us to go on and win nearly half a million pounds in funding."*

► www.pilotlight.org.uk.

Adam Ognall



What's new in social investment?

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

Prepared by the UK Social Investment Forum (UKSIF)

Unity Trust Bank launches grant bridging funding facility

Unity Trust, the specialist third sector bank, is now offering short term loans for organisations waiting to receive grant funding.

► www.unity.uk.com

Breakthrough II investment fund launched by CAN and Permira

Breakthrough II was launched at the end of October. It is a social investment programme which is designed to tackle the financial and management challenges inhibiting growth in social enterprise. Breakthrough II follows an initial two year pilot initiative by CAN (Community Action Network) and private equity firm Permira.

► www.can-online.org.uk

London Rebuilding Society (LRS) achieves £2m milestone

The Society reached the target of £2m in September. Since its launch in 2001, it has made 72 loans of an average size of £28,500. The Society makes loans to social enterprises in Greater London.

► www.londonrebuilding.com

Charity Bank open for business in the North

Charity Bank has opened its first branch in Yorkshire and Humber. Charity Bank in the North aims to help organisations travel up and down a 'staircase' of funding.

► www.charitybank.org/north

Aston Re-Investment Trust (ART) celebrates 10th anniversary

In its first decade ART has lent over £5.5m to commercial and social enterprises in the Birmingham area, enabling borrowers to preserve or create over 2,500 local jobs for local people.

► www.reinvest.co.uk

Fenland Green Power Co-operative issues shares

Fens Co-op will produce electricity for over 2,000 homes for the next 23 years. As well as providing investors with a share of the profit from the sale of electricity, the Co-op will also generate finance for a community fund to help with other local energy saving and environmental activities.

► www.fens.coop

The UK's first community-owned hydro electric project opens share offer

Torrs Hydro New Mills is located in the High Peak of Derbyshire. A share of the revenue from the scheme will be used to regenerate the community and to promote environmental sustainability in the local area. The prospectus for new shares was launched at the end of September.

► www.torrshydro.co.uk

European Commission announces new microfinance initiative

The initiative aims to increase access to finance for small businesses and socially excluded people in the EU. It includes a proposal for a European-level facility to support the development of non-bank micro-finance institutions.

► www.europa.eu

If you require any 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

Giving: How each of us can change the world.

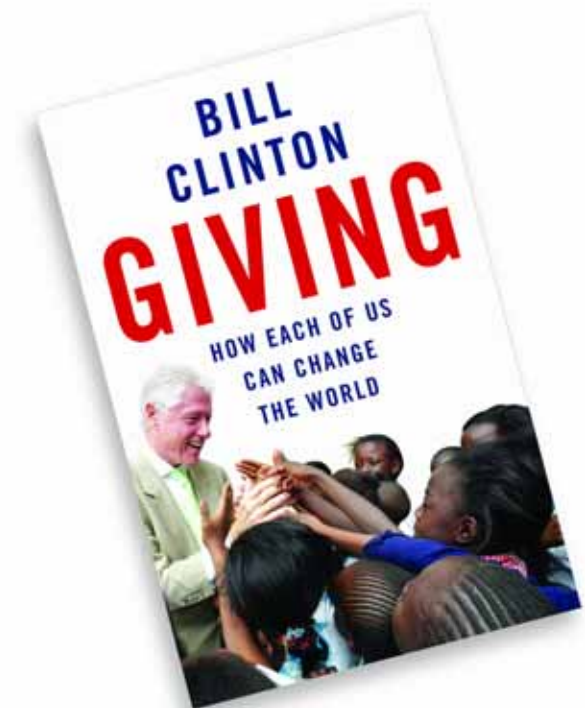
Bill Clinton

Hutchinson, New York. 2007. 240pp. Hardback.
ISBN 978-0091795757 <http://www.rbooks.co.uk>

Reviewed by Gerry Salole

It is always good to declare one's biases so I confess that I picked up this book expecting to find it weak on substance and, at best, inadequate. Scathing reviews of the book helpfully provided by people who knew I was reading it - together with sharp recollections that the last book I had read by Bill Clinton, *My Life*, left me feeling cheated by an autobiography since I learnt surprisingly little about what made the man himself tick - had convinced me that this was going to be a disappointing and glib read.

Let me be clear. This is not a book that appeals to either the professional or the cynic. Bill Clinton sets out to inspire, educate and yes, I'll say it, demystify 'giving' for a general audience. He is, therefore, often over simplistic, unabashedly and enthusiastically a cheer-leader for the individuals and institutions whose causes he trumpets and does not much concern himself with failure, frustration, soul-searching or lamentations about the



complexity of this kind of work. Often he writes tritely and naively – one egregious example (of which there are alas several): he is so enthusiastic about Warren Buffett's huge gesture of trust in the Bill and Melinda Gates Foundation that he characterizes the donation as being "without strings" - something, of course, that could not be true of organised philanthropy even if we did not know that Buffett has laid out fairly tough conditions, including the length of time within which his donation has to be

spent. Indeed, throughout *Giving*, one cannot escape Clinton's determination to say something excessively good about everything and everyone (echoing his autobiography on that score) and that the scale and range of examples makes the somewhat superficial coverage of them inevitable and predictable.

Nor, it must be said (despite a promising title), is this book an 'idiot's' or 'how to' guide; it is simply, as the blurb on the flap says, a "call to action". I cannot judge how effective it will be in getting people who are currently uninterested in giving to give. It does, however, provide an encyclopaedic, effective and generous perspective on the whole range of 'giving', and I found that it is an easy read that explains difficult concepts easily. The short (12 pages!) but eclectic list of resources is particularly effective. These are organised by echoing the chapters on Public Good, Giving Money, Giving Time, Giving Things, Giving Skills, Gifts of Reconciliation, Gifts that Keep on Giving, Model Gifts, Organizing Markets, Non-profit Markets and Government. I was particularly struck by the chapter on Gifts of Reconciliation, the breadth of which encompasses truth and reconciliation in South Africa, teenagers involved in the Israeli-Palestinian peace accord, the unsung role of women in peacemaking, reconciliation efforts in Rwanda and Columbian Peace music.

Clinton's recognition that the gift of forgiveness is as important as the Buffett gift was a real insight into the man and alone made the book worth reading. I was also struck by the seven page chapter on 'Gifts that keep on Giving' which rather than being about the establishment of foundations in perpetuity (which I confess I expected from the title) turned out to be a refreshing focus on the Heifer International project of giving livestock in the

expectation that the animal's offspring will be 'passed on' to others in due course.

At the outset I had anticipated recommending this book as suited for the general public. But I also think it is ideal for those of us working in this business who sometimes have a hard time explaining what we do and why we do it. In fact I intend to add it to the stockings of my two grown-up children who have, over the course of some thirty years in the development business, heard me dwell too often on the difficulties, frustrations and general inefficiencies of giving, in the hope that some of Clinton's enthusiasm and determination to be positive rubs off. In the end, I discovered that I had the satisfaction of learning more about Clinton from having read this book, where he was talking primarily about others, than from reading his autobiography, where he promised to talk about himself.

Gerry Salole is Chief Executive of the European Foundation Centre.



Gerry Salole

The Billionaire who Wasn't: How Chuck Feeney secretly made and gave away a fortune

Conor O'Clery

London: Perseus, September 2007. 338pp. Hardback.

ISBN 978-1-58648-391-3

http://www.perseusbooksgroup.com/perseus/book_detail.jsp?isbn=1586483919

Reviewed by Beth Breeze

Biographies of philanthropists generally tend to fall into one of two categories. The dullest, and unfortunately the most common, are those that are more hagiography than biography, in which the author's admiration for the subject obstructs their ability to give a balanced account of the donor's life and giving experiences. Similarly disappointing are those in the second category, the biographer-come-armchair psychiatrists, who focus on unearthing the subject's motives – usually involving unhappy childhoods or business reputations in need of rescue – that are unsatisfying because they are ultimately unprovable.

O'Clery's achievement lies not only in securing access to the world's most enigmatic philanthropist, but also in avoiding both these biographical blind alleys. If his compelling narrative becomes a blue-print for future efforts to record the life stories of philanthropists, then the reading public might become far more aware of the major donors who have existed in their midst.

O'Clery's account of how Charles 'Chuck' Feeney rose from a blue-collar New Jersey neighbourhood to immense

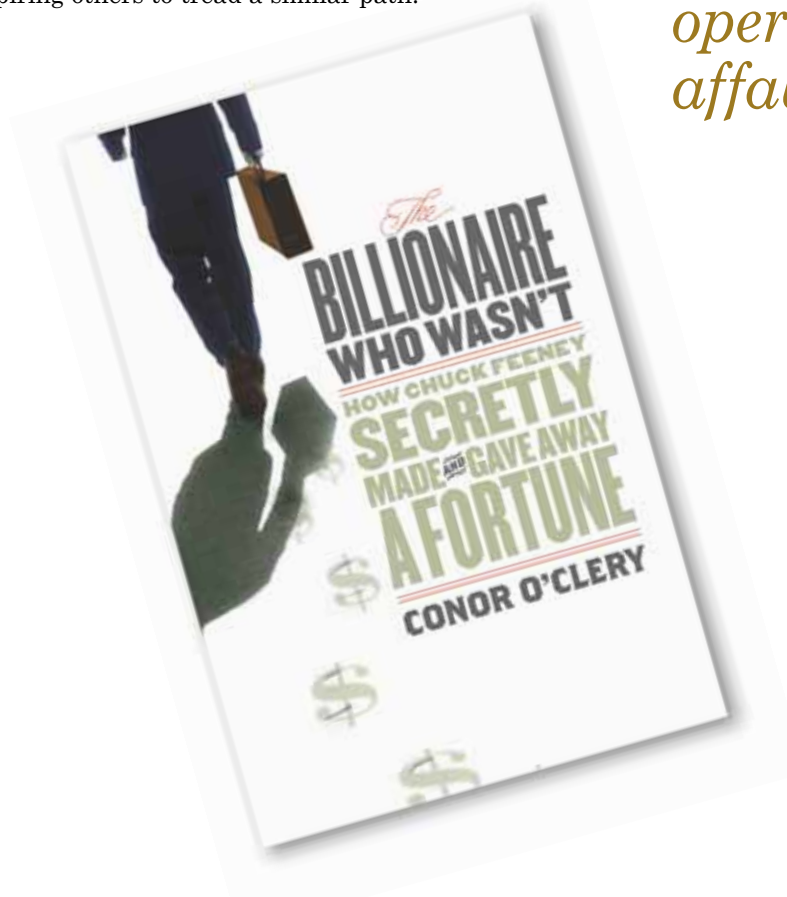
riches as founder of global retail enterprise, Duty Free Shoppers, and then gave almost every cent away, reads like a cross between a whodunnit and an airport business guru book. The opening prologue teases the reader with an account of an unnamed, middle-aged man, “unremarkable but for his penetrating blue eyes” arriving in the Bahamas with his wife, “to conclude a deal unlike any he had made before, one that would change his life irrevocably”. Yet this atmospheric account of the day Feeney divested his immense wealth into the Atlantic Philanthropies charitable foundation is followed by an exhaustive account of how that fortune was made, serving as a master-class in business deal-making and ball-breaking.

The two halves are not incompatible – the slightly breathless account of the setting up and running of a secretive philanthropic behemoth is complemented by the earthy machinations involved in selling discounted liquor and other knick-knacks to travellers who’ve failed to pick up gifts before checking in for their flight home. Indeed, a major attraction of this story lies in the contrast between the stubborn business operator, whose professional relationships are often injured by his recalcitrant retailing genius, and the affable donor, who retains many childhood friends and develops strong personal bonds with Irish academics, Vietnamese doctors, former sporting heroes and other recipients of his money.

The purpose of this book is to inspire emulation. Feeney has revealed the hitherto concealed workings of his global philanthropic endeavours in order to encourage other rich people to put their wealth to good use whilst they are still alive. However, the ability to replicate this scenario is somewhat undermined by both the singular context of Feeney’s character and wealth-creating ability and the

extraordinary cast of characters that surround him. Foremost amongst these is Feeney’s lawyer, Harvey Dale, whose personal stance on secrecy seems to have prevented the billionaire-who-wasn’t from enjoying the recognition of being the philanthropist-who-very-much-was. Now that Feeney is out of the philanthropic closet, it is to be hoped that he enjoys his shift from the global Rich List to the Altruistic A-List, and that he is successful in inspiring others to tread a similar path.

“A major attraction of this story lies in the contrast between the stubborn business operator... and the affable donor”



Influential reading: *Charlie McConnell*

In each newsletter, Philanthropy UK invites influential people 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 Charlie McConnell, chief executive of the Carnegie UK Trust.

Charlie says:

I'm one of those people for whom the current book I am reading is the one that has most influence. This is certainly the case with Bill Clinton's recently published **Giving - How each of us can change the world**. This is an inspiring book, highly readable and the one to give to your family this Christmas to explain what you do. Drawing primarily on his experiences with the Clinton Foundation it gives his take on the impact of new philanthropists, established foundations, non-governmental organisations and social activists across the world. Bill Clinton demonstrates that there is life after 'big P' politics, and a highly influential one at that. Let's hope that he is a role model for other recently retired leaders closer to home. As an interventionist Third Way Democrat he also rightly reminds us of the key role that governments must play and of the limits of charity and the role that philanthropists can have. I especially liked his call for foundations and philanthropists to harness wider business strategies for the public good. Currently barely 5% of the potential capacity of most endowed foundations is invested in programmes for public benefit, with the remaining 95% invested in commercial for-profit businesses that have little to do with the philanthropic mission of the founder. This reflects the recent interest here in the UK in mission-connected investment.



When I left school in 1968, few of my generation – the baby boomers – aspired to a career in business or the military, the traditional routes to employment taken by the men in my family. I chose to spend most of the past 35 years of my career in adult education and community development. It was a book cover, rather than the book itself, that inspired this career choice. **Only One Earth - The care and maintenance of a small planet** was a report of the first United Nations conference on the global environment. What hit me in one of those paradigm-changing moments was the cover photograph of the earth taken from space - the lonely blue planet in all its fragility and oneness.

I wanted to get involved in politics and grass roots community action. In my view, whilst capitalism had contributed towards the creation of the affluent society from which I'd gained, unregulated it was just too exploitative of the planet and the poor. I dabbled in student activism but I found the far left engaged in little more than naïve gestures and unfathomable Marxist rhetoric. I read Marx – we all did, or pretended to – and I still feel that a structural analysis of power makes sense. But I was hungry for other political insights.

It was at this time that I came across Karl Popper's book, **The Open Society and Its Enemies**, in which he critiques the totalitarianism of both the left and the right. Popper was an Austrian Jew (later an agnostic) who escaped to New Zealand before World War Two. He eventually settled in the UK, working at the London School of Economics, where one of his students was George Soros. After becoming a multibillionaire philanthropist, Soros established the Open Society Institute to advance the Popperian defence of the open society against authoritarianism and dogma, and his foundations played a

vital role in building up civil society in central and eastern Europe after the end of the Cold War.

My final choice is the writings of Paulo Freire, the Brazilian social activist and adult educator. Born in 1921 to middle class parents in Recife, he became familiar with poverty and hunger during the 1930s' depression. These experiences shaped his concerns for the poor and his subsequent inspirational adult literacy work. In 1964 a military coup put an end to this work; Freire was imprisoned and later went into exile in Chile. In 1968 he published his most famous book, **Pedagogy of the Oppressed**. Freire was a Christian Socialist who embraced liberation theology and became a special education adviser to the World Council of Churches. His philosophy of education stands alongside Franz Fanon's *The Wretched of the Earth* and Saul Alinsky's *Rules for Radicals*, as one of the basic primers for social activists and community educators across the developed and developing worlds. Freire's writings had a profound impact on Steve Biko and the Black Consciousness Movement in South Africa.

Essentially, Freire wants us to think of development work as a dialogue between the development worker and the community, learning and working together to identify problems and solutions. In other words, we need to give the poor a voice. From the 1970s Freire's approach influenced the community education and development education fields in the UK: the professional training standards body for these occupations, of which I was its first Chair, was called Paulo in his honour.

“Freire wants us to think of development work as a dialogue between worker and the community, learning and working together to identify problems and solutions... we need to give the poor a voice”

notices

Forces for Good: The Six Practices of High-Impact Nonprofits

Leslie Crutchfield and Heather McLeod Grant

An innovative guide to how great non-profits achieve extraordinary social impact, based on case studies of twelve high-performing charities. The authors' central question - what makes great non-profits great? – is answered by describing six counterintuitive practices that these organisations have used to achieve extraordinary levels of impact. For example, great non-profits spend as much time working outside their four walls as they do managing their internal operations, and they use the power of leverage to become greater forces for good. This book has lessons for all readers interested in creating significant social change, including non-profit managers, donors and volunteers.

New York: Jossey-Bass, October 2007. 336pp. Hardback. ISBN 978-0-7879-8612-4 <http://www.josseybass.com>

Green philanthropy: funding charity solutions to environmental problems

Bernard Mercer and Jonathan Finighan

Less than 2% of UK charitable grants and less than 5% of private donations are currently allocated to environmental charities. This report suggests that the barriers to 'green philanthropy' include donors feeling overwhelmed by the scale of environmental problems, resistance to accepting scientific projections about future environmental disasters and a lack of guidance for those who wish to fund this area. Noting that climate change tends to be the focus for the environmentally concerned, the report also highlights five further areas where action is required: decimation of natural resources, the particular vulnerability of the poor to environmental problems, the need to protect ecosystems and biodiversity, insatiable demands for energy and concomitant problems of pollution and waste, and finally, human well being and sustainable development in the UK. As with all NPC reports, it concludes with suggestions of charities doing effective work in these areas and offers ideas for making funding have the biggest impact.

London: New Philanthropy Capital, October 2007. 167pp, report, ISBN 978-09553148-7-2 (also available as a free downloadable PDF) <http://www.philanthropycapital.org/html/Research/environment.php>

Integrating Environmental, Social and Governance Issues into Institutional Investment: a Handbook for Colleges and Universities

Less than 2% of UK charitable grants and less than 5% of private donations are currently allocated to environmental charities. This report suggests that the barriers to 'green philanthropy' include donors feeling overwhelmed by the scale of environmental problems, resistance to accepting scientific projections about future environmental disasters and a lack of guidance for those who wish to fund this area. Noting that climate change tends to be the focus for the environmentally concerned, the report also highlights five further areas where action is required: decimation of natural resources, the particular vulnerability of the poor to environmental problems, the need to protect ecosystems and biodiversity, insatiable demands for energy and concomitant problems of pollution and waste, and finally, human well being and sustainable development in the UK. As with all NPC reports, it concludes with suggestions of charities doing effective work in these areas and offers ideas for making funding have the biggest impact.

New York: Amnesty International USA, October 2007. 52pp, freely available online at <http://www.amnestyusa.org/business/sharepower/university/UniversityHandbook.pdf>

A life less ordinary: People with autism, a guide for donors & funders

Adrian Fradd and Iona Joy

New Philanthropy Capital's recently published report *A life less ordinary* explores the issues surrounding autism and the lives of the people it affects. The report suggests practical ways donors can help, from funding innovative research to helping children learn skills to cope with the difficult transition to adulthood. We highlight charities changing the lives of people with autism, including:

- Research Autism, which funds research into improving the quality of life for people with autism. Recently, the charity developed a screening instrument for use in prisons to identify inmates who may have autism and need specialist support.
- Prior's Court, which runs a residential school for children with autism. Each child has a personalised time-table of activities, which is adapted as they grow older to increase their independence and vocational skills.

London: New Philanthropy Capital, September 2007. 96pp, paperback, (also available as a free downloadable PDF), ISBN 978-0-9553148-8-9. £22.50
www.philanthropycapital.org

European Venture Philanthropy Directory 2007/08

This 3rd edition of the EVPA directory is over twice the size of earlier editions, reflecting the growth in models of philanthropy that combine finance and business consulting. The purpose of this publication is to give an overview of the field of venture philanthropy and identify European practitioners to give visibility to the industry and provide a platform for future industry growth. The introductory section provides background on the venture philanthropy approach to grant-making followed by profiles of all EVPA members, including case studies of investments made by member venture philanthropy funds. The Directory is intended to be a useful reference for grant-makers, grant-seekers and private banks, as well as any others interested in the area.

London: EVPA, October 2007. 118pp, ISBN 0-9553659-2-9. PDF, freely available online at <http://www.evpa.eu.com/directory.html>

International Taxation of Philanthropy

Dr. Ineke A. Koele

This book, based on Dr. Koele's PhD dissertation, addresses the complex international tax barriers facing philanthropic organisations. The book begins by defining the scope of the study including the concept of "landlock", political philosophies behind tax relief for philanthropic organisations and an analysis of bilateral treaties. A comprehensive and comparative overview of the approach taken in three legal and tax systems regarding international philanthropy is included. The publication also examines whether EU law allows states (within and without the European Union) to maintain "landlocked" tax positions and, if so, under what type of conditions this may be permitted. The conclusion proposes a new paradigm of non-discriminating treatment of philanthropy by examining ways to abolish landlocks.

IBFD: Amsterdam, Netherlands, November 2007, 414pp, ISBN 978-90-8722-021-1, €105 / \$135

Handbook on Responsible Investment across Asset Classes

*Boston College, Carroll School of Management,
Institute for Responsible Investment*

This handbook seeks to catalyse growth in responsible investment across asset classes. It is meant to help investors incorporate responsible methods into their investment mandate; identify and evaluate opportunities for responsible investment, and coordinate the vocabulary and metrics used to measure ESG impacts. Each chapter focuses on a single asset class and includes information on how to design a responsible investment strategy; identify opportunities for market-rate responsible investments and incorporate engagement strategies into the asset class investment strategy.

Funded by the F.B. Heron Foundation, 104pp (PDF)
email: ccc@bc.edu website: www.bc.edu

Inspired Philanthropy: Your step-by-step guide to creating a giving plan and leaving a legacy

Tracy Gary

The third edition of Gary's classic book aims to show readers how to align and integrate their values, passions, and dreams for their communities and families into their giving plans. *Inspired Philanthropy* explains how to make a difference by creating giving and legacy plans, suggests questions to ask charities before making a donation, and spells out how to work with advisors and charity leaders for better outcomes. In addition to updating statistics contained in earlier incarnations of this book, the new edition includes a discussion on the implications of Warren Buffett's historically large philanthropic act; new legacy planning tools; expanded resources on youth, giving circles, and communities of colour; key questions for advisors and donors; and worksheets and resources available on the CD which comes with the book. Whilst much of this material is clearly designed for the US market, there is much in Gary's message and approach to recommend it the British reader.

New York: Jossey-Bass, November 2007. 336pp.
Hardback. ISBN 978-0-7879-9652-9, £15.99
www.josseybass.com

Beyond Success: Building a personal, financial and philanthropic legacy

Randy Ottinger

Beyond Success is a guide that aims to assist individuals with the achievement of a meaningful and lasting financial, philanthropic, and generational family legacy. The author combines his personal experiences in both the financial and philanthropic fields with extensive research that draws on insights from hundreds of well-known philanthropists, thought leaders and advisors in the philanthropy and family wealth professions. Ottinger develops a legacy planning framework to help translate goals into measurable action for achieving high levels of personal fulfilment and social impact. He also provides insights into the latest trends in philanthropy, and examines the likely impact on the civil sector of the \$100 trillion of wealth that is transferring from today's baby boomers to future generations.

New York: McGraw-Hill Professional, September 2007.
320pp. Hardback. ISBN 978-0-0714-9676-6, £15.99
www.mhprofessional.com

The top five: *tips for giving*

Philanthropy UK is delighted to welcome this issue's Top Five Tips contributor Alec Reed CBE, founder of Reed Recruitment Group and a number of international charities, who has just launched his most recent philanthropic project – www.thebiggive.org.uk.

Alec Reed with the Royal Ballet's First Artist Gemma Bond dressed in her costume for the Balanchine ballet Jewels.

© Philanthropy UK/Lisa Barnard

You get what you give *by Alec Reed CBE*

I have been working as a volunteer with charities for the last forty years. In the early 1970s I worked with drug addicts in the West End of London. When the addicts realised that I was an employment agent many of them used every opportunity to ask if I could find them a job, so I founded a registered charity – AREA (Addict Rehabilitation Employment Agency). This proved to be a trend and I could not stop being an entrepreneur even in my charity work.

Twenty years ago I sold a business. Those proceeds due to me I put into a private charity, The Reed Foundation, and for the first time had to think seriously about how to give away money. Again I was much more attracted to 'entrepreneurial giving' and invested in my own new charitable ventures. Firstly I started Womankind Worldwide and then Ethiopaid. Although I did make substantial donations elsewhere they were in the minority.

My latest charitable venture, just over two months old, is www.thebiggive.org.uk. This interactive website is designed to enable philanthropists to be pro-active and reduce the cost of fundraising for charities.





The Rainforest Foundation UK, a project featured on The Big Give, works with Asháninka forest communities to demarcate their lands and gain legal protection for them. ©Robyn Cummins/Rainforest Foundation UK

Donors can easily identify projects they may be interested in by searching against the donation value, cause, geography, and specific beneficiaries, such as women or children.

The site currently hosts more than 1,900 projects seeking combined donations of around £940m. .

1. So the first of my tips for philanthropists must be to look at www.thebiggive.org.uk. First scan the 670 charity logos displayed to mentally enforce the choice available and the size of the task ahead. Then decide on the size of donation that you would like to give. A slide ranges from £100k to £1m, and a function button shows projects of over £10m. You can then choose the type of project you would like to support. The whole spectrum is represented from wildlife to cathedrals, offered by both the country's largest charities as well as the smallest. Finally decide which part of the world you wish to benefit and identify it on the illustrated map.
2. My second tip which suits me very well is separating the spending from the giving. By which I mean deciding how much you want to spend on charity as a lump sum or annually and transfer it to a neutral fund. That could be your own foundation or maybe a fund or account at the Charities Aid Foundation. From there you can continue your research and decide which good causes you wish to support.

3. As to which projects you are going to donate to, I suggest that you should largely back your own interests. You will prove a better supporter if the work has your interest as well as your money. You also personally will benefit from a greater sense of satisfaction. Remember you cannot support all the world's needs, and concentrating on a little can mean a lot to the recipients.
4. For the large donation that www.thebiggive.org.uk is designed to attract, the donor can reasonably expect good access to the charity. Take the opportunity of visiting their offices and meeting staff at an appropriate level. People make the difference and will determine how much your donation will achieve.
5. Finally, do not ignore due diligence. Ask for a copy of the charity's statutory accounts. Do not be satisfied with extracts that sometimes appear in annual reports. If you cannot read accounts, then ask a friend who can help. The number one question is do they need your money – a few do not! The second question is, are they reasonably frugal? I have seen charity staff travelling business class when I have been a tourist – it smarts!

Alec Reed CBE founded the Reed Recruitment Group in the 1960s, and started the Reed Foundation in 1985 following the sale of a business interest. He has since founded a number of charities, including Ethiopiaid and Womankind Worldwide.

The last page

News and events highlights

*Have you missed these top stories?
All articles are available to read in the
Latest News and Archive sections in
News and Events.*

05/09/2007 **Triodos Bank increases its equity by over 50%**

Triodos Bank's international issue of depository receipts for shares has closed, increasing its equity by over 50%.

11/09/2007 **ACF funder education programme 2007/08**

The Association of Charitable Foundations (ACF) has launched its Professional Development Programme for 2007/8, which is open to non-members.

26/09/2007 **New website encourages ethical investment**

A new online resource designed to help charities invest in line with their mission has been developed by the EIRIS Foundation and UK Social Investment Forum.

27/09/2007 **New Wealth and Philanthropy report from Philanthropy UK**

More wealthy individuals are giving and are seeking professional advice to help them to give effectively.

05/10/2007 **Charities Aid Foundation says sector Gift Aid proposals remove donor choice**

The Charities Aid Foundation (CAF) has rejected the proposal made by a coalition of sector umbrella bodies to the Government's consultation on Gift Aid.

11/10/2007 **New venture philanthropy fund is Smart way to benefit charities**

A fund that aims to enable a greater number of charities to develop their organisational and operational capacity and achieve long-term sustainability has been launched by The Cranfield Trust.

08/11/2007 **Sainsbury art bequest of £100m goes to National and Tate galleries**

A bequest of 18 works of art worth £100m has been made to the National and Tate galleries from the estate of the late Simon Sainsbury.

21/11/2007 **Goldman Sachs Group establishes a donor advised fund for partners**

Partners at Goldman Sachs Group have agreed to commit a part of their overall compensation to charitable organisations through Goldman Sachs Gives, a new donor advised fund.