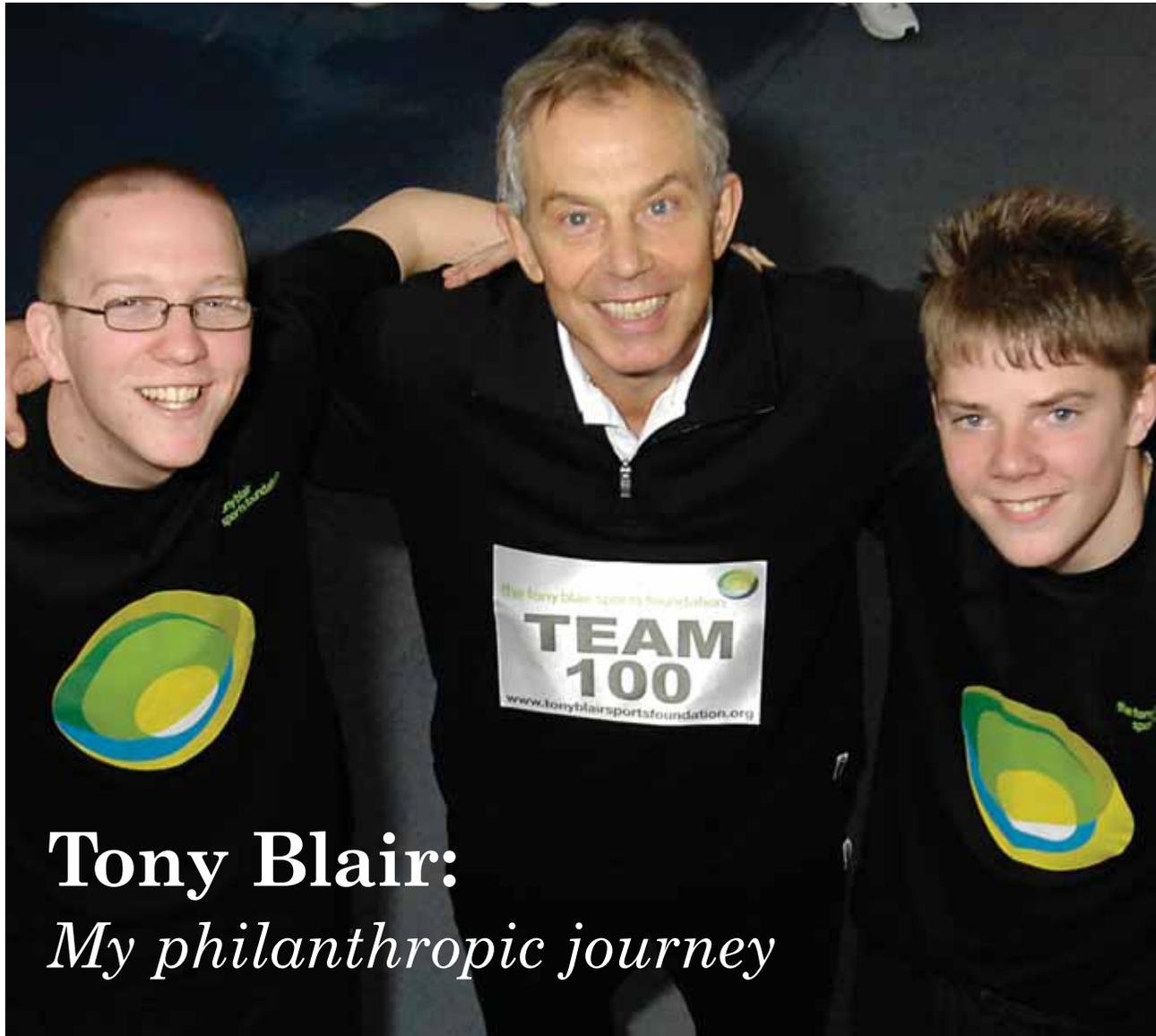


# philanthropy|uk: newsletter *inspiring giving*



**Tony Blair:**  
*My philanthropic journey*

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

## Also in this issue:

**Heart or head?:**  
*understanding philanthropy*

**Giving online:**  
*the rise of social networks*

**Charity Commission**  
*on mainstreaming philanthropy*

**Chinese philanthropy:**  
*turbulent growth*

plus the latest  
**philanthropy news**  
and publications

# welcome

Welcome to the summer 2008 edition of the *Philanthropy UK Newsletter*. We hope that the sun is shining brightly on our readers and on all the philanthropic projects with which you are involved.

The theme for this issue is 'Understanding Philanthropy'. It includes a range of articles that explore what we know, and don't know, about philanthropy in the UK and the prospects for increasing our understanding of this essential part of social life. Philanthropic studies is an established discipline in a number of countries, notably the USA, where tens of universities offer courses on this topic. The UK's first research centre on charitable giving and philanthropy is being launched in 2008 and we interview the co-director, Professor Jenny Harrow, to ask what this means for people giving and working in the UK philanthropy sector. We also present a review of influential philanthropic research, discuss how well research travels across the Atlantic and ask a panel of experts to debate the role of research in influencing giving decisions.

We are extremely pleased to welcome former Prime Minister Tony Blair's contribution to this newsletter, in which he shares the thinking behind his decision to launch two philanthropic foundations in the year after leaving office and reflects on his experiences of beginning a philanthropic journey.

Wherever you are on your own philanthropic journey, we hope that Philanthropy UK continues to be a useful guide and source of support and encouragement.

Many thanks to all our guest contributors as this newsletter could not exist without their willingness to share their ideas and knowledge. We always welcome feedback and ideas from our readers so if you would like to comment on this issue, or contribute an original article, please email us at [editor@philanthropyuk.org](mailto:editor@philanthropyuk.org).

Best wishes,

**Beth Breeze**

Guest editor



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Susan Mackenzie

### Guest Editor

Beth Breeze

*with support from  
Roxanne Clark*

### Editorial Board

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**Philanthropy UK** c/o ACF, Central House,  
14 Upper Woburn Place, London, WC1H 0AE, United Kingdom  
+44 (0)207 255 4490; [www.philanthropyuk.org](http://www.philanthropyuk.org)

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

Philanthropy UK is supported  
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# Understanding philanthropy

## How do we know what we know about philanthropy?

### *A review of influential philanthropic research*

by *Beth Breeze*

It is a paradox that everyone agrees the UK lacks a decent body of philanthropic research and yet there exist widely known 'facts' such as the rise of new philanthropy, the prevalence of self-made donors over inheritees, the lower levels of giving in the UK compared to the USA and the greater generosity of people with smaller incomes.

This article discusses the basis for such accepted wisdom and reviews some of the most cited and influential publications that currently inform our understanding of philanthropy.

The need for more, and better, philanthropic research in the UK is not only widely accepted as true, it is also currently in the process of being rectified, most notably with the launch of a new research centre on charitable giving and

philanthropy (see this issue's Philanthropy UK Interview with Prof. Jenny Harrow, the Centre's new Director).

But to say there is 'not enough' philanthropic research is to risk over-looking those studies that already exist, without which our understanding would be based solely on anecdotes and impressions.

A widely cited book, used by charities, fundraising consultants, policy makers, journalists and others, is *'Why Rich People Give'*, produced by Philanthropy UK in 2004 and written by our founder director, Theresa Lloyd. Based on in-depth interviews with 100 wealthy people and their advisers, this report highlights the motivations for giving by Britain's wealthy and also covers a range of issues such as barriers to giving and engagement with beneficiaries. A summary is available on the Philanthropy UK website, as is the follow-up research *'Wealth and Philanthropy: the views of those who advise the rich'*, which was published in 2007.

Another frequently-cited report compares the giving ethos and philanthropic behaviours in the UK and the USA and concludes that efforts to promote a culture of giving must take account of the political structures, social attitudes and the role of charitable giving in any particular country.



*'Why rich people give' was the first major British study into giving by the wealthy.*

*“To say there is ‘not enough’ philanthropic research is to risk over-looking those studies that already exist”*

This report, *‘Generosity versus Altruism: Philanthropy and charity in the US and UK’* was written by Karen Wright and published by the London School of Economics in 2002.

Unlike most areas of social life, what is known about philanthropy comes largely from non-academic sources, known (somewhat disparagingly) as the ‘grey literature’, meaning publications produced by organisations such as think tanks, for-profit research organisations and charities themselves, as well as the broadsheets or quality press.

A few examples illustrate that much of the ‘accepted wisdom’ about UK philanthropy comes from this grey literature. *The Sunday Times Rich List Giving Index* (published annually every April since 2003) is a prime source of information about the names of major UK donors, how much they give and what causes they choose to support. Annual research reports published by sector umbrella bodies, notably NCVO’s *‘Civil Society Almanac’* (known until this year as the ‘Voluntary Sector Almanac’) and CAF’s *‘Charity Trends’* contain data on many aspects of charity income and are essential fixtures on the bookshelves of anyone seeking to understand charitable giving in the UK. Influential think tank reports include the much-cited Institute for Fiscal Studies report *‘State of Donation’* (1997), which was the first to prove that lower-income households donate more as a percentage of their



Children affected by the recent earthquake in China using the ‘child friendly spaces’ funded by philanthropic donors  
©Save the Children

income than richer households, and the Institute for Public Policy Research report *‘A Bit Rich: what the wealthy think about giving’* (2002) (downloadable for free at [www.ippr.org.uk](http://www.ippr.org.uk)), which used focus group data to argue that wealthy non-givers need a change in attitudes about their own wealth and capacity to help others, as much as changes to the tax system.

However influential ‘grey literature’ may be, it is never accorded the same respect, or considered as reliable, as peer-reviewed academic outputs. Fortunately, some academics have taken an interest in researching philanthropy. Historians have been the most enthusiastic and a number of excellent books have explored the role of

charitable giving in the nation’s past, particularly in relation to the development of the welfare state. The best-known living historian of English philanthropy is Frank Prochaska, based at Yale, whose article on women and philanthropy in Victorian England appears in Philanthropy UK’s special report on *Women & Philanthropy* (March 2008). However, David Owen’s panoramic study, *‘English Philanthropy 1660-1960’* is probably the best starting point for anyone interested in a historical account of philanthropy. Sprinkled with fascinating facts (like the examples of endowed trusts that failed to foresee future social and technological changes, including donations to fund the tolling of the church bell before public executions and keeping an oil

## How Philanthropy UK keeps you up to date with influential research

Philanthropy UK has endeavoured to draw attention to philanthropic research in a number of ways.

1. Every edition includes a Publications Section with reviews and notices of the newest books hot off the press. This current edition of the newsletter contains a review of the hotly debated *‘Just another Emperor? The myths and realities of philanthrocapitalism’* and notable highlights from previous editions include Bill Clinton’s ‘Giving’ reviewed by Gerry Salole of the European Foundation Centre in our December 2007 issue.
2. The Publications Section also contains a regular column entitled ‘Influential reading’ in which high profile people from the philanthropy sector tell us what books have most inspired and shaped their approach to philanthropy. Our influential readers tend toward eclecticism and recent picks range from *The Open Society and its Enemies* by Karl Popper to Andrew Carnegie’s *Gospel of Wealth* to “anything” by Charles Dickens.
3. Summaries of the most notable publications on philanthropy can be found in the resources section of Philanthropy UK’s website which includes a regularly updated Reading List. This diverse and evolving selection includes reports on individual and family philanthropy, philanthropic foundations, biographies of philanthropists, academic texts, histories of philanthropy and impact and performance measurement.
4. Philanthropy UK’s fortnightly *News Bulletin* contains a section dedicated to philanthropic research, as well as keeping readers abreast of all the latest philanthropy news. You can subscribe to the free bulletin on our website.

## “There is a great appetite for a better understanding of philanthropy”

lamp burning ‘forever’ at the corner of Billingsgate in London), this is literally a treasure trove of a book, as well as a learned introduction to an under-documented aspect of England’s past.

Economists have also taken an interest in the topic of philanthropy, usually driven by efforts to comprehend what they see as a puzzling situation whereby ‘rational self-interested man’ chooses to give money away. Typical solutions to this apparent conundrum involve recasting all apparently altruistic behaviour as exchanges in which money is swapped for a ‘warm glow’, a ‘positive self image’ or some other intangible benefit. The most prolific economist studying philanthropy, James Andreoni, is based in San Diego but his thorough and readable review of 25 years of economic research on philanthropy includes UK studies and is freely available online at the University of California San Diego. However no firm and final conclusions are reached as Andreoni admits, *“Despite its importance, a clear understanding of philanthropy has eluded economists.”*

Psychologists have also explored the topic of philanthropy, much of which challenges the self-interested models found in economic theories. Dr. Tom Farsides of Sussex University, and a contributor to Philanthropy UK, has produced some of the best known work in this area, including his paper on understanding psychological factors behind charitable giving, available online at the ESRC.

A discussion of the economic and sociological accounts of philanthropy, by Professor Peter Halfpenny at the University of Manchester, may be almost a decade old (published in the academic journal *Voluntas* in 1999) but it remains the most thorough examination of the topic

this side of the Atlantic. Professor Halfpenny, who is the most senior UK academic with an interest in philanthropy, currently chairs the Voluntary Sector Studies Network and has written widely on issues around charitable giving. He told Philanthropy UK that he particularly admires the work of Richard Steinberg, professor of economics at Indiana University – Purdue University Indianapolis, because, *“He writes perspicuously, his conceptual analyses of the issues are penetrating, his deployment of economic theory is incisive, and his statistical analyses are technically sophisticated. Overall, his work is highly illuminating and it has helped to establish the field of philanthropy as an exciting and demanding one”*. Professor Steinberg co-edited *The Nonprofit Sector: A Research Handbook*, which appears in Philanthropy UK’s recommended reading list.

Professor Jenny Harrow, co-director of the new UK centre on charitable giving and philanthropy, told Philanthropy UK that she has been most influenced by the work of Professor Diana Leat. *“A report she wrote in 1992, ‘Trusts in Transition: the policy and practice of grant-giving trusts’, contained the first typology of grant-making in the UK by differentiating between foundations that operate as gift givers, investors or collaborative entrepreneurs. Diana’s work, especially her exploration of decision-making within philanthropic foundations, is continually influential.”*

Professor Leat herself names Waldemar Nielsen’s research on American foundations as a major influence on her work. She told Philanthropy UK, *“Nielsen is a rebel and a creative thinker with a passion for the potential of foundations. The research presented in his books, ‘The Big Foundations’ and ‘The Golden Donors’ goes inside the*

*black box of foundations and adds to our basic knowledge about the size of gifts and endowments to explore the internal dilemmas and patterns of grant-making found in these organisations.”*

As in Leat’s case, inspiration for UK research often comes from the US, where the field of philanthropic studies is much more firmly established. In our March 2007 Newsletter, Theresa Lloyd explained that the genesis for her own research into UK major donors lay in a study conducted in New York. *“I came across a copy of Francie Ostrower’s book ‘Why the Wealthy Give’ and immediately realised how essential and helpful it would be to have a similar book based on UK research. I was amazed to learn that one did not exist... The result was my book, ‘Why Rich People Give’ which is very different to Ostrower’s book but was inspired by her ideas and approach.”*

In conclusion, the research discussed in this article has undoubtedly advanced our understanding of philanthropy in the UK, but many chasms in our knowledge remain to be filled and new challenges continue to arise, creating yet further demands for substantive, objective research. To name just two, the impact of globalisation on philanthropy, especially communications and technological developments, needs to be better understood and the growth and

dispersal of the vast amount of new wealth created in recent decades needs to be tracked and analysed. With the growing impact of the philanthropically funded sector on all aspects of our society, the urgency of answering such questions only grows.

There is a great appetite for a better understanding of philanthropy. Whether it will be sated depends on the willingness of more researchers to specialise in this field and the far-sightedness of funders to support their work.

#### **Links to research**

- ▶ Generosity versus Altruism:  
[www.lse.ac.uk/collections/CCS/pdf/CSWP/Cswp17\\_web.pdf](http://www.lse.ac.uk/collections/CCS/pdf/CSWP/Cswp17_web.pdf)
- ▶ Prof: James Andreoni:  
<http://econ.ucsd.edu/~jandreon/WorkingPapers/Philanthropy.pdf>
- ▶ Dr Tom Farsides:  
[www.esrcsocietytoday.ac.uk/ESRCInfoCentre/Images/ESRC%20Charitable%20Giving%20Brochure\\_tcm6-11338.pdf](http://www.esrcsocietytoday.ac.uk/ESRCInfoCentre/Images/ESRC%20Charitable%20Giving%20Brochure_tcm6-11338.pdf)

## Heart or Head? The role of research in giving decisions

by *Beth Breeze*

The role of research in giving decisions is not clear-cut. Whilst many donors, particularly those who describe themselves as ‘new philanthropists’, advocate using data and research-based information, other donors emphasise the importance of following their passions and trusting their emotional impulses in making decisions about giving. Philanthropy UK spoke to a number of donors, advisers and researchers to ask what is the right balance between ‘heart’ and ‘head’ in giving decisions.

Many people that we spoke to argued that there is room for both. *“Head versus heart is a false dichotomy”*, says Martin Brookes, Chief Executive of New Philanthropy Capital (NPC). *“The only truly defensible position is to tie your heart to the fates of those you wish to help and use data, analysis and research to find out which charitable causes, organisations and solutions can maximise the impact on other people’s lives”*.

*“Thinking and feeling are not mutually exclusive”*, concurs Patricia Walls, research officer at the National Council of Voluntary Organisations. *“Asking whether it is our heads or our hearts that most influence giving is a more complex question than this simple juxtaposition implies.”*

However, a number of people we spoke to made claims for the importance, and growing role, of research to both individual philanthropists and to the wider philanthropic sector.

Theresa Lloyd, an adviser on philanthropy to individuals and institutions, argues there is growing evidence that research matters to philanthropists. *“One only has to look at the success of Philanthropy UK and the fact that the Guide to Giving is about to go into its third edition, the growth and influence of New Philanthropy Capital,*



*Martin Brookes,  
New Philanthropy  
Capital*

*websites such as Intelligent Giving, magazines such as Alliance and the increasing number of intermediaries using data to support would-be donors. Clearly there is a demand for guidance on how to give well, how to identify competent charities in the chosen sectors, how to assess the effectiveness of a particular intervention and how to ensure that money will be well spent”*.

## “Once donors have become passionate about a cause, detailed analyses and reports from the charity become far less important”



Dr Helen Bowcock

One donor who supports the proposition that both research and passion matter, is Dr Helen Bowcock, a fundholder with the Surrey Community Foundation and a member of its grants policy committee. Speaking to us in a personal capacity, Helen says, *“Some good research that matters has been prompted, in the first instance, by a personal feeling of injustice or by no more than a sense of indignation that something is not right. For example, we are told in a new report by the Policy Exchange think tank that the government’s SureStart programme lacks an appropriate evidence base and that it is out of touch with what parents and their children need. Contrast that with the humble dedication of a couple of volunteers in my own community who established a group for very young, marginalised mothers and their children, out of sympathy and frustration that their specific needs were not being accommodated elsewhere. My own decision to invest a few thousand pounds to fund this group’s annual budget was prompted by an emotional response to their vulnerability and to an awkward realisation that I had never really understood the concept of social exclusion. Emotion was necessary to move my own assumptions along and to trigger a much more rational reflection on the reasons why these women and their children find themselves in such great need.”*



Joe Saxton,  
nfpSynergy

Liz Goodey, Head of Research at CAF (Charities Aid Foundation), recognises the situation described by Helen, where donors want access to credible information to support their giving decisions. Liz says, *“Many donors want to find a way to plan their giving, and ensure that their donation is as effective as possible. Yet people often do not know where to start their research. CAF often*

*receives requests for guidance from potential donors who want to choose a charity to support, perhaps by identifying a local charity, the cause that receives the least money, or the charity which spends the least on administration.”*

However, Theresa Lloyd also notes that ‘head’ and ‘heart’ are more important at different stages of the philanthropic journey. *“As donors gain experience they learn to trust their own judgment, appreciate the joys of learning more about the issues first hand, and develop their own sense of what questions to raise and where intervention may be most effective. In my experience, once donors have become passionate about a cause, detailed analyses and reports from the charity become far less important than personal judgement, confidence in the competence of those delivering the mission and*



Theresa Lloyd

## *“I believe that it is our heart that tells us to give to charity, and it is often our head that controls how and who we give to”*

*relationships with charity staff and other donors. Trust in those who have become partners in the philanthropic journey and links with beneficiaries create a strong emotional bond and as time goes on it becomes less and less likely that donors will be influenced in their giving by external research and advice”. She added, “where people are passionate from the start, and confident in their own judgment, such as in the arts or supporting their university, little or no research will be undertaken.”*

There is widespread agreement that donors’ demand for reliable research is on the increase. But does research matter to charities, policymakers and the wider philanthropic sector? Liz Goodey is unequivocal,



*Liz Goodey,  
CAF*

*“research-driven behaviour is not just for donors, it is also vitally important for charities and the wider sector to take research seriously in order to be well informed about giving behaviours and philanthropy.”*

Joe Saxton, Driver of Ideas at nfpSynergy and outgoing Chair of the Institute of Fundraising, makes an equally strong case for the universal importance of research. *“Research matters because all of us see the world through the filters of our perceptions and our experience, through the lens of our prejudice and our desires. So we see the things that reinforce our prejudices and screen out those loose threads that don’t. Without research, without that independent evidence that research provides, we can often fall into the trap of taking for granted as true what are commonly-held prejudices. But research is not a tool that works best in isolation but rather when it is answering questions. For example: Do tax incentives make a difference to how much people give? Is duty, altruism, embarrassment, guilt or ego the best reasons to get people to give? Would donors give more or less if higher-rate tax went to the charity instead of the donor? Sadly people find it all too easy to answer these questions irrespective of the evidence of research - and all too often dress up their theories as facts, and convert the prejudice of what they want into self-evident truth.”*

A number of people express hope that the newly established Centre for Charitable Giving and Philanthropy will enhance both the quantity and quality of useful information. Patricia Walls of NCVO is optimistic, *“the new Centre is well-placed to develop the knowledge required to increase donations and improve the practices of giving. It will create not just new knowledge*

*about giving but knowledge on what can be done to inspire more giving”*. But Joe Saxton strikes a more cautionary note, *“The reality is that there is not enough good research out there that helps understand how to get people to give more. The new Centre may produce more good research (though I’m not holding my breath), which provides more insight. But whoever and however it gets done, we need to go on asking and rigorously answering those questions.”*

In conclusion, there is general agreement that research plays a vital role in translating people’s passions into practical action, but it must be conducted to the highest standards to ensure credibility and to inspire confidence amongst those seeking to use it as a basis for decision-making. Reflecting on the question of whether giving is, or should be, primarily driven by research or emotion, Liz Goodey of CAF reflects the sentiments expressed by many. *“People are often told not to let their heart rule their head, but I believe that it is our heart that tells us to give to charity, and it is often our head that controls how and who we give to.”*

### Related links

- ▶ CAF: [www.cafonline.org](http://www.cafonline.org)
- ▶ Theresa Lloyd Associates: [www.theresalloyd.co.uk](http://www.theresalloyd.co.uk)
- ▶ NCVO: [www.ncvo-vol.org.uk](http://www.ncvo-vol.org.uk)
- ▶ New Philanthropy Capital: [www.philanthropycapital.org](http://www.philanthropycapital.org)
- ▶ nfpSynergy: [www.nfpsynergy.net](http://www.nfpsynergy.net)
- ▶ Surrey Community Foundation: [www.surreycommunityfoundation.org.uk](http://www.surreycommunityfoundation.org.uk)

*“Using US data to form a view on issues such as the profile of potential UK donors is problematic”*

## Understanding philanthropy: Lessons from across the pond

*by Adrian Sargeant*

People often point to a dearth of useful research in the domains of giving, donor behaviour and philanthropy.

While it is certainly true that we need to know much more about how people select and interact with non-profits, the broad arena of donor behaviour is actually one of the most researched domains in the social sciences. Work conducted in the disciplines of economics, psychology, social psychology, sociology, non-profit management and marketing has now been marshalled to create a new body of knowledge for the profession of fundraising, underpinning the recent introduction of a set of national occupational standards for fundraising ([www.ukworkforcehub.org.uk](http://www.ukworkforcehub.org.uk)) and enhancing public understanding of how the voluntary sector operates through initiatives such as [www.charityfacts.org](http://www.charityfacts.org) and the ImpACT coalition.

Much of the research on donor behaviour, however, has been conducted in the United States and many sector commentators therefore worry about the extent to which

it is possible to simply transplant findings and apply them here in the UK.

This concern is legitimate; there are undeniably cultural differences between our two countries and the manner in which the voluntary sector has developed over the past two centuries has been radically different. Religious faith also plays a much bigger role in shaping giving in the US with, for example, \$97 billion being donated to religious causes in 2006. The pattern of fundraising in the US has also been very different, leading to variations in the profiles of donors supporting specific causes and, in particular, supporting these causes in different ways. Thus using US data to form a view on issues such as the profile of potential UK donors is problematic.

Where research does translate well, however, is when it examines the underlying rationale for human behaviour and the response to different fundraising ideas and techniques. In other words donors in the US and UK respond very similarly to fundraising stimuli. Where international comparisons have been undertaken, the same motives for giving predominate and individuals are concerned with exactly the same issues when they evaluate an organisation as a potential recipient of a gift. This is true of both large and small donations as well as



*Adrian Sargeant*

true of the response to commonly employed fundraising media such as the Internet, direct mail and direct response television (DRTV). Thus when researchers such as Indiana University's Jen Shang tell us that the overall revenue raised by a fundraising campaign can be increased by 12% simply by providing donors with 'social information' on how other donors have behaved, we can be confident that the provision of such information will provide similar utility in the UK. The percentage uplift in response may vary, but the underlying difference in behaviour will remain.

Similarly, from my own research, we know that the factors driving donor retention are identical in both countries. The three biggest drivers of donor loyalty are satisfaction with the quality of service provided to the donor, trust in the organisation to deliver on its promises and the extent to which the individual feels a genuine commitment to the cause.

The US and UK may be culturally very different, but there is a lot that we can and should be learning from that side of the pond.

*Adrian Sargeant is uniquely qualified to comment on transatlantic philanthropic research issues as he currently holds two posts: Robert F Hartsook Professor of Fundraising at the Center on Philanthropy, Indiana University in the US, and Professor of Nonprofit Marketing at Bristol Business School, University of the West of England.*

## Understanding philanthropy: a European perspective

The UK philanthropy sector traditionally looks across the Atlantic for ideas and inspiration, but a new European initiative on philanthropic research may encourage us to look closer to home.

In January 2008, a group of researchers working in five European countries gathered in Amsterdam to launch the European Research Network on Philanthropy (ERNOP). The driving force behind this new organisation is Theo Schuyt, professor of philanthropic studies at VU University, Amsterdam, in the Netherlands. Having noted the growing interest in the concept and impact of philanthropy across the continent, Schuyt believed the time was right to take a cross-national approach to understanding contemporary European philanthropic culture

Schuyt told Philanthropy UK that ERNOP will be helpful to all member countries because "Our 'Giving Europe' research project aims to present the financial parameters of philanthropic transactions and the philanthropic sector in Europe, which is now a major ingredient in the rise of civil society in Western Europe. Philanthropists are making substantial contributions to the financing of non-profit goals like culture, research, health and education. Yet in Europe, data regarding philanthropic efforts are missing."

Asked whether the UK has more to learn from Europe than from the US, Schuyt replied, "Yes, because most Western European countries are transforming into so-called 'civil societies', and welfare states in all Western European countries are in transition. Demographic changes, growing wealth and cultural and political developments at national and European level are all triggering fundamental shifts in economic, social and political institutions. Western Europe is moving into an ongoing process of restructuring, for example making efforts to integrate new East European countries whilst coping with the nationwide implications of ethnic diversity challenges at the other. Such transitions require continuous innovations from governments, businesses and civic efforts to keep Western Europe a prosperous and democratic community to live in. The pillars of prosperity in the future will be sustainable economic growth, political democracy and a basic level of social arrangements. The European welfare state model will therefore need to become more diversified, integrating the market, social economy and philanthropy".

The first publication from ERNOP, a review of the state of household giving in Europe, will be published in summer 2008. For further information about ERNOP, please contact Pamala Wiepking on [P.Wiepking@fsw.vu.nl](mailto:P.Wiepking@fsw.vu.nl)

# Understanding philanthropists: bringing the understated into view

*By Paul Glinkowski*

Outside of the readership of Philanthropy UK, most people are unaware that philanthropic trusts and foundations play an understated yet vital role in funding the arts.

The recently published two-volume publication, 'Good Foundations', the outcome of my two-year research fellowship at the University of the Arts London, sheds new light on this under-scrutinised sector. 'Good Foundations' documents the affairs and achievements of one particular philanthropic charity, the Rootstein Hopkins Foundation (RHF), whose origins lay in the fashion scene of 1960s London, and it examines the different outcomes that have resulted from its support for artists and for arts organisations. It also provides an overview of the current map of arts funding and analyses in unprecedented detail the specific contribution made within that by philanthropic trusts.

The RHF decided early on that it would have a limited life-span and by the end of this year will have 'spent out' its £8m endowment, thirteen years after its first grant was made. As its end date approached the Foundation became more reflective about its activities, and more eager to learn about what its investment had achieved. The trustees recognised that their desire to investigate and document the outcomes of the RHF's spending could be shaped into a research project that would have a wider public benefit.

Alongside an extensive programme of interviews with individuals representing a wide array of roles within

philanthropy and the arts, each element of the research involved engagement with archives of some kind. Most obviously, it was the contents of a conventional paper-based archive that enabled me to piece together an account of the life and times of the RHF. The configuration of a jigsaw which had never previously been assembled and which had become fragmented – over time, and in individual memories – in order to produce a plausible and uncontested (by the current trustees) record of the Foundation relied heavily on the authoritative, if at times unruly, archive of official minutes, correspondence and sundry other items of official documentation that the organisation had accumulated and had chosen to preserve.

This archive of official paperwork provided an objective counterpoint to the subjective, and often conflicting, testimonies of the surviving individuals who had formed the human core of the organisation for nearly two decades. And yet... two vital pieces of the jigsaw remained elusive, beyond the power of the official documentation to conjure forth: the two founding figureheads of the charity, Adel Rootstein and Rick Hopkins, now deceased. Integrating these two pervasive but absent characters into the narrative required an act of imaginative reconstruction which seemed to require the attributes not

just of the academic researcher, but of the novelist, the detective and the high court judge.

My survey of the bigger picture of charitable giving to the arts found there is no authoritative and comprehensive evidence-base documenting the contribution that trusts and foundations make to the arts. In order to campaign more effectively for an increase in support from this funding sector, more data is needed from grant-makers to complement the information gathered from arts organisations through the Private Investment Benchmarking Survey carried out by Arts & Business (A&B).

There is an overriding need to develop research partnerships between bodies working in this sector, such as A&B and the Association of Charitable Foundations (ACF) to achieve more accurate statistical information about funding for the arts. To provide a comprehensive snapshot of the range and amount of funding given in a particular year, arts research and development agencies, such as Arts Council England (ACE) or A&B, might also consider working with an alliance of arts supporting trusts and foundations to commission a research project for the arts sector which would mirror the 'Where the Green Grants Went' project initiated by environment-focused trusts.

Targeted advocacy, in partnership with arts policy bodies such as ACE and the Department for Culture Media and Sport and based on evidence of the social impacts of the arts, would help to maximise the amount of funding given to the arts by trusts and foundations with generalist objectives. Future-oriented ideas forums (such as Mission, Money, Models, initiated by the Jerwood Foundation in



partnership with A&B) could foster debate about the strategic priorities for funding with an 'arts for arts' sake' philosophy. This could be informed by a survey of artists and arts organisations to identify what aspects of their current practice and operations are 'hard to fund'. Advocacy is also needed to argue for the continued relevance and value of the trust model of charitable support, which can provide an effective vehicle for sustained, planned and targeted giving, as a complement to the more spontaneous acts of giving encouraged by Gift Aid.

Within the present context of diminishing public subsidy, private sector investment in the arts is increasingly significant. In an ever more competitive fundraising environment, the challenge for the arts will be to increase its share of the c.£2 billion that CAF estimates trusts and foundations give away each year. To achieve this end, the arts sector must make a collective effort to get to know

more about how trusts and foundations think and operate and recognise that every funder has different priorities, therefore each individual case for support must be tailored to address the specific aims and priorities of the organisation from which funding is sought.

It is hoped that 'Good Foundations' – along with a new legacy website, [www.rhfoundation.org.uk](http://www.rhfoundation.org.uk), launched in May 2008, which records for posterity the outcomes of Adel Rootstein's and Rick Hopkins' philanthropic investment - will help to further raise awareness of and provoke discussion about the state and the future of philanthropy in the UK, and that it will assist and encourage other foundations and individual philanthropists to find other new and exciting ways to support good causes, and in particular the arts.

- ▶ Good Foundations can be purchased on-line at [www.laurenceking.co.uk](http://www.laurenceking.co.uk). It will be downloadable in PDF form later in the year at the Rootstein Hopkins Foundation legacy website [www.rhfoundation.org.uk](http://www.rhfoundation.org.uk).

*Paul Glinkowski is Senior Researcher at the Engine Room, Wimbledon College of Art, University of the Arts London. He is currently working on an evaluation of the Wellcome Trust's Sciart funding programme.*



Paul Glinkowski

# Philanthropy UK: *interview*

## With Professor Jenny Harrow, Co-director, Centre for Charitable Giving and Philanthropy

by *Beth Breeze*

**Professor Jenny Harrow has been appointed as the first co-director, along with Cathy Pharoah, of the newly established research centre on charitable giving and philanthropy. She specialises in the study of voluntary sector management and is based at Cass Business School, which is part of City University in London.**

Philanthropy UK caught up with Jenny to ask about her new role.

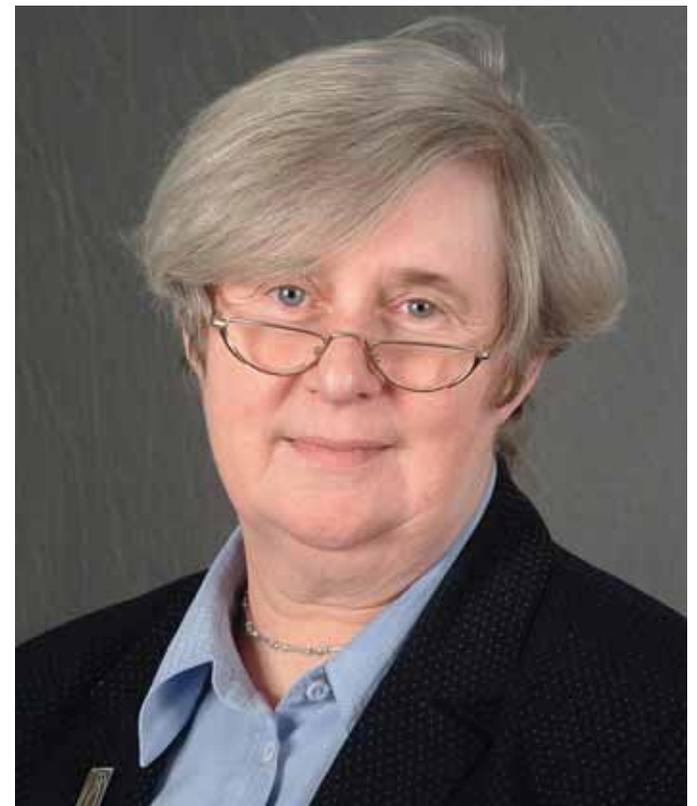
**Philanthropy UK:** *Why do we need a new research centre on charitable giving and philanthropy?*

**Jenny Harrow:** The Centre is needed to produce high-quality research aimed at developing an evidence base to better understand charitable giving and philanthropy, and to influence policy and practice decisions. Until now, there has been no academic 'home' for the study of charitable giving, and philanthropic research hasn't been considered a significant topic for study by university-based researchers.

The initiative began in 2005 when the Carnegie UK Trust proposed the idea of a 'virtual centre' to support more creative philanthropy in the UK. Other funders have since become involved, including the Scottish Executive and the Office of the Third Sector, and the Centre's remit has now been extended to create a knowledge base about all aspects of charitable giving and philanthropy.

**P-UK:** *What is your vision for the research centre?*

**JH:** Our vision is to heighten the profile of philanthropy as a field of study and to create a solid knowledge base about charitable giving and philanthropy.





*Prof Jenny Harrow is based at Cass Business School at City University of London.*

Of course, some research does already exist but it has not been properly valued or brought together into a coherent body of knowledge. So we will begin by synthesising the various strands of knowledge that currently exist and we will bring together experts from around the UK and internationally, so that we can gather all available research knowledge to strengthen the evidence base.

The second part of the vision is to promote the idea that philanthropy is a field worthy of scholarship. Philanthropic activity makes an important contribution to the nation's GDP and has a large social impact so it deserves closer attention from researchers. We want to encourage early career academics to consider specialising in this area.

**P-UK:** *What is the most important question that the research centre will tackle?*

**JH:** We hope that the new centre will come up with new questions as well as new answers! At the moment, the questions asked about charitable giving and philanthropy are very familiar and are largely motivated by charities' needs to acquire resources. So the research that does exist tends to address questions about how to recruit new donors; the advantages and disadvantages of different vehicles for philanthropy; and how giving in the UK compares to giving in the US.

Examples of new types of questions that the Centre could explore include understanding how philanthropic giving is affected by economic downturns, whether certain types of giving are more 'recession-proof' and comparing giving in private and giving in public.

I also hope that our research programme can examine the multiple cultures of giving, and challenge perceptions that there are particular ways of 'doing philanthropy' to uncover the multiple expectations, value judgements and models of philanthropy that currently exist.

*“Philanthropic activity makes an important contribution to the nation's GDP and has a large social impact so it deserves closer attention from researchers”*

*“Increased academic interest in the topic should translate into a greater focus on giving within the public domain”*

**P-UK:** *How will philanthropists benefit from the centre’s outputs?*

**JH:** They can expect the centre to put philanthropy into the spotlight. Increased academic interest in the topic should translate into a greater focus on giving within the public domain. They can also expect the new body of scholarship to highlight their achievements and make more people aware of the significant role that philanthropists have played as a backroom engine of social change.

As a better-informed picture emerges about the outcomes of philanthropy, that should enable philanthropists themselves to think about how they fit into the public policy landscape.

But philanthropists should also be aware that objective research includes questioning the viability and limits of accepted structures and models, and some donors might find this challenging! But overall we hope that our work will help philanthropists to gain a better understanding of what they are doing; we want to be helpful and challenging at the same time.

**P-UK:** *How will charities benefit from the centre’s outputs?*

**JH:** Charities tend to ask problem-driven questions, like “does telephone fundraising work?” and “how can we get more rich people to give?”. These are entirely reasonable questions for them to ask, but we hope charities will understand that there is a difference between research that supports fundraising and researching giving. Some of our findings may be challenging and will not necessarily produce conclusions that can be immediately implemented.

That said, we are having ongoing conversations with people in the fundraising sector. There will also be formal interactions between our centre and the new Third Sector Research Centre [see side bar] and we will hope to add value to each other’s work.

**P-UK:** *How will you measure the success of the centre?*

**JH:** There are many concrete ways to measure success. We’d expect to see a rise in the number of researchers choosing to focus on charitable giving and philanthropy and the creation of a network of researchers working in this field. We’d hope to have encouraged new research to be undertaken beyond the people involved in the new centre, not just at other universities but also within the sector because charities should do research as well as be the objects of research! Finally, I’d expect our outputs to have made significant contributions to the public policy debate, helping to find answers to long-standing debates and helping to frame important new questions.



# Giving news

*“When you see the difference that actually quite small amounts of money can make, then you do feel optimistic about how funds like this can change lives”*

## Complex giving structures reflect China's turbulent growth

By Roxanne Clark

***“This is a very special moment for China”, Professor Vivienne Shue, Director of the Contemporary China Studies Programme.***

In light of the recent devastation of the Sichuan province in China this is a challenging time for the country, revealing much about its approach to private and public giving.

Recent reports coming out of China indicate that there has been a surge in direct giving to the survivors of the earthquake to circumvent the official government controlled routes and avoid potential corruption.

While this may be true on some levels according to Professor Vivienne Shue, Director of the Contemporary China Studies Programme, Oxford University, this giving trend has wider and deeper implications for a country that is in the full glare of the West's media and governments.

*“This is a very special moment for China”, Prof. Shue told Philanthropy UK. “The leadership's frankness about what happened and Premier Wen Jiabao's and President Hu Jintao's visit to the region demonstrated official compassion and have inspired many people to take independent action.*

*“Young people in particular have been inspired to give during this crisis and so we could see long-term effects in how the Chinese give as a result of these young people's experiences.”*

Philanthropy in China has deep, historical roots but the recent emergence of direct giving is a reflection of the current leadership that since 2003 has, according to Prof. Shue, been allowing citizens a more critical voice and more opportunities to take independent action, including the creation of private wealth and private charitable foundations.

The 2008 Hurun Philanthropy List, a benchmark report on the state of charitable donations in China, reports that the country's top 100 philanthropists have given away 12.9 billion yuan, (c.£940m) since 2003, with education, social welfare and poverty reduction attracting the most donors.

A China Charity Information Center (CCIC) report published earlier this year, found explosive growth in the number of private foundations, which increased 71% to 349, compared with a 3.1% rise in the number of public foundations.

Before the rise of socialism, Chinese society had an integrated approach to giving in which private and public philanthropy worked together but during the Maoist era there was much less independent wealth and the only acceptable form of giving was through government donations.

*“More funders need to step out of their comfort zones. We need to see, and embrace, the positive side to risk, to understand the opportunity.”* David Gold, Chair of A Glimmer of Hope (UK)

*“What we are seeing is a decompression of that narrowing [of wealth and giving] with many new organisations now being established,” explains Prof. Shue. “Since the 1990’s the state has been calling on people to create a ‘smaller state and bigger society’ and has called upon social groups and individuals to participate in public foundations.”*

However, widespread scepticism and distrust in the management of public foundations has influenced the establishment of private foundations, with the Hurun report citing *“three-quarters of the money donated by the country’s top 100 philanthropists were also channelled into foundations set up or monitored by the donors themselves, and experts have attributed the weak development of the sector to the lack of public confidence in various charity foundations.”*

*“It is true that corporate leaders and other donors in China have doubts about the state’s salubrity and there is a history of a lack of proper accountability, but the state is working to improve transparency and clean-up corruption,” says Shue.*

*“...many Chinese donors think and act much like many of their Russian counterparts, being active, outspoken, forward-looking and democratic, sometimes more democratic than the NGOs they support,” says Olga Alexeeva, Head of CAF Global Trustees, about her recent official visit to China in an article for Alliance magazine. “They are business people and they invest in civil society in the same calculating way they make business investments, because it, too, is necessary for their business.”*

According to China Development Brief, the Ministry of Civil Affairs (MCA) is making efforts to encourage public



*Premier Wen Jiabao listens to Lang Zheng, a boy injured in the earthquake in southwest China’s Sichuan province.  
© AP Photo/Xinhua, Yao Dawei*

and corporate participation adopting the slogan *‘Everyone can do charity’* in 2007, and staging a high-profile charity award to recognise corporate donors, individual philanthropists and best-practice programmes.

While Government-led foundations still out-number private ones, the CCIC report predicts the biggest foundation will be privately operated within five years. Other unconfirmed reports suggest that the Ministry of Civil Affairs has recently stipulated that private foundations are able to use 30% of funds to set their own giving agenda.

*“This is an important breakthrough, which could among other things chart the beginnings of new forms of giving, such as donations made in support of the arts”, says Shue.*

*“The trend for charities and charity support organisations to reach donors using online methods has grown beyond expectations”*

## Giving reaches new heights via social media networks

By Roxanne Clark

MySpace and Facebook have much more in common than their rapid rise as online social networks. They and other web-based communities are also leading the social media trend in online giving networks.

Since Justgiving launched its application on Facebook in July 2007, the use of the tool has outstripped all other traffic the site receives, including that via Google.

*“Facebook is now the most used channel for people to donate to charities via Justgiving, and in April we had 350,500 referrals via the site,”* Simon Doggett, Justgiving’s User Champion, told Philanthropy UK.

*“This equates to 6.4% of all our referrals, the largest we receive. It means that everyday 3,500-4,000 people click on the donate button.”*

The trend for charities and charity support organisations to reach donors using online methods has grown beyond expectations, with the Community Channel launching ‘Your Charity Space’ in 2006 as a social networking resource and forum for people to blog and upload videos about charities or causes they are passionate about.

Facebook also has the US-based ‘Causes’ application that allows users to create groups that support non-profit organisations, and then invite friends to join and donate money to their chosen cause.

Another Facebook application, ‘ripple’, was set up by a group of Australian college students to direct users to online advertising. All proceeds from the advertising are then donated to one of four charities, depending on what advert is clicked on. The average person who clicks on an advert on ripple’s site spends 40-50 seconds looking at the interactive ads. The site averages between 4,000 and



5,000 users a day and raises funds for charities which its founders believe empower individuals in developing countries by providing clean water, food, education, or microfinance.

Meanwhile Flickr, the photo-sharing website, has just launched a 'Flickr for Good' campaign, offering non-profit organisations in the UK unlimited accounts with unlimited storage space to reach their potential donors.

*"What we are seeing is a seismic shift in how donors are approaching their giving,"* says Doggett. *"Almost 89,000 people have installed the Justgiving application on Facebook since its launch last year."* Justgiving can also be found on MySpace and Bebo social networks.

Two donor profiles have emerged through Facebook for Justgiving: by far the biggest are those who have an individual story to tell their community and hope to actively raise money through the events in which they participate. The other is an activist community that wishes to campaign and share charity messages

*"We are speaking to users to see what will make their giving easier and more accessible, to help them communicate and make asking for donations easier,"* Doggett says of the Facebook application.

*"We are watching trends and not judging but we are shaping our products around them. Charities need to listen to donors and fundraisers. The trend is moving towards being less about guilt and much more about being part of a community and wanting to participate."*

## Former Minister proposes new 'acceptable behaviour contract' to encourage philanthropy amongst the rich

*By Beth Breeze*

The 2008 Allen Lane lecture, given on 12th February by Frank Field, former Minister for Welfare Reform in the Labour government from 1997-98, included a proposal to encourage philanthropy amongst those earning over £150,000 a year by levying an additional 10% tax. This surcharge could be totally offset by charitable giving, for example by setting up a new foundation or donating to an existing foundation.

It was calculated that this idea would raise an additional £3.6 billion for charity but the primary aim was intended to develop a new spirit of philanthropy and *"encourage richer taxpayers to embrace the responsibilities of wealth"*.

Field paid tribute to the philanthropic efforts of some 'super-rich' people such as Tom Hunter, David Sainsbury and J. K. Rowling saying, *"There are a number of philanthropic stars in the sky. But the powerful intensity of their action testifies, I fear, to how few they are in number and how dark the remainder of the sky remains."*

Field notes there has been an explosion of wealth in the UK in recent years but he argues that relatively few of the 'new seriously rich' give generously to charity. He says, *"Contracts on acceptable behaviour have been imposed on miscreant youths who do not fulfill properly*

*their obligations to a society that supports them. Similarly, I believe acceptable behaviour contracts should now be applied to today's super-rich."*

Field famously described his role at the Department for Social Security as 'thinking the unthinkable', and some commentators found this idea similarly challenging. Writing in 'Giving Insights', Martin Brookes, chief executive of New Philanthropy Capital, argues that people should be inspired by the opportunity to improve society rather than incentivised to give by the tax system. Brookes comments, *"There is scant evidence that pushing people to give more results in higher levels of donations"*.

- ▶ The text of Frank Field's lecture is available online at [www.allenlane.org.uk/2008.htm](http://www.allenlane.org.uk/2008.htm)

*"Giving is not just about a financial donation, it is a broader positive process that shows a willingness to help others and to contribute to society for greater benefit."* Don Foster MP, former Shadow Culture, Media and Sport Secretary

## Mainstreaming philanthropy: the view from the Commission

By Caroline Cooke

Charity gets more headlines, engenders more debate and – for some – causes more controversy than ever before. This profile means that an increasing number of government departments and agencies are making provision for the charitable and voluntary sector a core part of their strategies.

The Charity Commission for England and Wales, which regulates 190,000 registered charities, has, for the first time, been given new duties linked to charitable giving and volunteering by the Charities Act 2006.

This is actually quite a significant move. As well as our role in regulating, advising and monitoring charities we are now tasked with acting in a ways which encourage volunteering and giving to charity, rather than leaving these aspects of charity solely to individual donors or the charitable sector.

Clearly, people will only give to a sector they have faith in. Public trust and confidence in charity is vital and the Charity Commission has a statutory objective to increase it.

But our new duty goes beyond promoting this kind of trust, and we are already planning how to carry it out. Part of this work involves looking at motivation. We plan to undertake some initial research into donor motivation later this year, specifically exploring what current knowledge about this issue exists and identifying gaps in this knowledge. This may identify a need for more in-

depth research into motivations, including causal motivations for charitable giving.

Accountability is a key outcome of charities' self-reporting and the requirements behind the financial side of this are laid down in the Charities SORP (Statement of Recommended Practice: accounting and reporting by charities). This SORP is regularly reviewed and amended. Plans for the next review of SORP include inviting comments from leading philanthropists and major donors on the type of information they prioritise when making funding decisions. We also aim to find out what information in charities' reports and accounts are seen as having the most value.

A common donor concern is that charities spend too much time and resource on administration, even though a sloppily administered charity is unlikely to be operating at its most effective. There's no doubt, however, that some aspects of charity law have shackled charity trustees in the past.

The new Act gave specific provisions that will free up trustees and help the Commission support its new duty. So there are now greater powers available to trustees and the Commission to transfer property and spend capital where this helps a charity carry out its purposes more effectively which may have a positive, if indirect, impact on giving.

*“Plans for the next review of SORP include inviting comments from leading philanthropists and major donors on the type of information they prioritise when making funding decisions”*

These are just some of the first steps planned. We know there are a whole range of factors which influence giving and we'll be keeping a watching brief and working with others to monitor the drivers which affect trends in, and levels of, giving.

The effectiveness of how we implement our new duties will be reviewed by government in 2011. It will be interesting to see the impact of our work around giving and volunteering by then.

In the meantime, more information on the duty can be found in our board paper available on our website.

- ▶ Charity Commission Board Paper on charitable giving: [www.charitycommission.gov.uk/Library/tcc/pdfs/paper08obm11.pdf](http://www.charitycommission.gov.uk/Library/tcc/pdfs/paper08obm11.pdf)

*Caroline Cooke is Head of Regulatory Policy, Charity Commission*



Caroline Cooke

## Charity Commission's new duty to encourage giving

by David Emerson

The programme of work outlined by Caroline Cooke, above, follows from the new duty on the Commission to encourage charitable giving which was one of the significant and positive outcomes of substantial work by the Association of Charitable Foundations (ACF) on the 2006 Charities Act for England & Wales. As one of the principal architects of the new duty, ACF sees great potential for its members and other donors to contribute to this programme and is pleased that both ACF and Philanthropy UK were specifically cited in the board paper as being organisations that support donor giving and the financial effectiveness of charities.

That paper suggests the Commission will seek 'to... develop partnerships with some of the key bodies that work to support charitable giving and philanthropy' and this echoes an approach the Commission has been developing elsewhere in its work. ACF is already contributing to the Commission's scoping work on the role of venture philanthropy and its potential impact. We also have existing engagement with the Commission on: the governance of corporate foundations; guidance for funders on supporting advocacy and campaigning; and on an explanation of endowments within the Commission's planned enhancement to the look and content of the charity

register on their website. The Commission have also strongly endorsed ACF's forthcoming guidance on Grant Risk Management. These are all ways in which the Commission, by working with ACF or *Philanthropy UK*, is supporting and enhancing the work of both established trusts and foundations, and of new philanthropists.

I believe this duty is a remarkable and positive one for a charity regulator; that in time it will pervade all of the Commission's work and enhance its role; and that from a UK donor perspective it is one that will prove immensely encouraging and enabling. Dare I suggest that it may prove a fine example of positive legislation?

*David Emerson is Chief Executive of the Association of Charitable Foundations, which hosts Philanthropy UK.*

## Government drives effort to standardise social impact reporting

By Lucy Fairfax

A three-year programme of work to create a standard tool to measure Social Return on Investment (SROI) of third sector organisations has been launched by the Office of the Third Sector (OTS).

SROI is a tool that has been developed to measure the social, environmental and economic value of a project so that the total impact of both financial and non-financial measures can be identified.

A round-table discussion with social investors organised by OTS in February 2008 concluded that government needs to take on a leadership and co-ordinating role in standardising this tool because there is not enough collaboration amongst organisations currently operating in this field, and they are therefore failing to develop a "holistic" approach.

The OTS is keen to drive efforts to standardise social impact reporting because it is consistent with Government's commitment to 'evidence-based policy making' and allows social value to be measured from a cost-benefit analysis perspective.

The OTS also believes a standardised methodology will increase third sector organisations' access to more "suitable", sustainable finance because a clear and consistent reporting mechanism that proves impact, should attract more funding. The Department of Health has also agreed to implement the SROI process and the

## *“A clear and consistent reporting mechanism that proves impact, should attract more funding”*

OTS hopes it will eventually become a mainstream practise.

Jeremy Nicholls, Chair of SROI-UK, believes there should be a set of SROI principles in place, similar to financial accounting principles, to ensure standardised practice in calculating social returns. Nicholls is also a Fellow of the New Economics Foundation (nef), a think tank which is pioneering the SROI tool in the UK, building on the work of REDF, the US-based venture philanthropy fund.

Nicholls claims that organisations tend to overlook analysing social impacts because most funders currently request information on financial measures and specific outcomes, rather than the ‘big picture’ of total impact.

One of the biggest challenges in calculating SROI is that organisations have rarely recorded the necessary information from the outset, and to do so retrospectively is both costly and time-consuming. However once organisations start to implement SROI and record the right information from the start, it is described by proponents as a relatively straightforward process.

Kevin Robbie, former Chief Executive of Forth Sector and currently on secondment to the OTS, believes that the new tool will enable organisations to bridge the gap between strategic planning and good evaluation, allowing them to prove impact more holistically. Robbie argues there must be a shift in culture, *“away from anecdotal evidence and towards proving the social value of what you do and providing evidence to back this up. It will be more about what is collated and collected”*.

The project to develop a standard tool to measure SROI will go out to tender this summer and the OTS, who will manage the project from within government, predicts the programme will be operating towards the end of the year. The three-year term will be a development and testing period, analysing the tool in different circumstances so it will be ready to be used at the end of the programme.

In a related development, SROI practitioners across Europe have formed the European SROI Network (ESROIN), and the first Annual SROI Exchange was jointly hosted by SROI-UK and ESROIN on 30th May in Manchester. This event brought together practitioners and academics to share their experiences, agree basic principles and launch a new network dedicated to consistent and effective use of SROI.

At this event, Nicholls announced the creation of a new software package, *‘SROI Online’* to make the reporting process more user-friendly, especially for those who struggle with understanding the financial aspects. This software has been funded by Liverpool City Council, the Social Enterprise Support Centre in West Yorkshire and by Nicholls himself. It will be tested amongst charities so that improvements can be made before it is launched nationally.

### **Related links**

- ▶ SROI-UK: [www.sroi-uk.org](http://www.sroi-uk.org)
- ▶ ESROIN: [www.sroi-europe.org](http://www.sroi-europe.org)

*Lucy Fairfax is an intern at Philanthropy UK.*



# Letter from America

## Data, data, everywhere; and not a way to think

by *Melissa A. Berman*

'Information overload' is cited so frequently, and so despairingly, that it seems irresponsible and inhumane to suggest that we need even more. Alas, even a brief glimpse into the debate on effectiveness in philanthropy reveals gaping holes in the available information and our ability to answer apparently simple questions about 'what works'.

On the one hand, we have so-called 'philanthrocapitalism' whose adherents are depicted as fanatic followers of a quantitatively driven return-on-investment model. True devotees have been heard to claim that they know that they are funding the "best" microcredit program in the world. When asked "best at what?" they look shocked and annoyed. At the other end of the spectrum is what might be called 'philantertainment', whose practitioners apparently engage in giving because it makes them feel so good. One prominent New York donor won a round of applause for honestly declaring that the only outcome that he assessed was his own satisfaction. Naturally, the extremes of either behaviour are rarely found in the real world, where motives are mixed, and in fact the two viewpoints are neither wrong nor mutually exclusive.

In truth, however, a recent review of 'outcomes literature' and findings in philanthropy finds mostly data on efficiency

(meaning the cost to serve a particular population) or on short-term outputs (such as decrease in infection rates or higher graduation rates), but little on the true outcomes that we seek. As Dr Paul Farmer, co-founder of Partners in Health so movingly puts it, what does it matter if he can cure a woman of tuberculosis so that she can die of malnutrition? The real result we seek is not the absence of tuberculosis, it's the presence of health. Likewise, the real result we seek in funding schools is not education, which is after all a process, but a better life.

Lacking much in the way of significant findings, the tension between philanthropy as investment and philanthropy as self-expression continues to absorb more time and energy than it deserves. Even worse, it leaves many potential donors frozen in place as they weigh conflicting messages about making analytical decisions versus following their singular passion. Many potential donors feel that they can do neither.

And how would more research help here? Sad to say, we do need more research, and we also need different research.

Due to the steadfast efforts of organizations like the Foundation Center, the European Foundation Centre, Guidestar, the Urban Institute, the Center for Effective Philanthropy and a growing cadre of academic centres in

*This editorial features an American perspective on recent trends and topical issues in philanthropy. Our columnist is Melissa Berman of Rockefeller Philanthropy Advisors, which helps donors create thoughtful, effective philanthropy throughout the world.*



*Melissa Berman*

Europe and North America, we do have more data than ever before. But we still often suffer from a lack of meaning.

From the time of the ancient philosophers, experts have made important distinctions between and among data, information, knowledge and wisdom. For example, data is the percentage of a population without access to sanitation. Information is how that percentage relates to other locations, or has changed over time. (The bridge

between data and information is analysis). Knowledge is the deduction of the critical factors that would lower or raise that percentage. (The bridge between information and knowledge is expertise). And wisdom is the capacity to apply those deductions usefully. (The bridge between knowledge and wisdom is experience).

When we talk about research and results in philanthropy, we often confuse data with wisdom. Too often, we are grappling in philanthropy with studies that provide us with data and information only.

Why is that? It's certainly not because researchers in our field lack knowledge and wisdom. Rather, the challenge is lack of resources and infrastructure. Even considering the relative sizes of the for-profit and the non-profit sectors, the for-profit sector is far more richly endowed with sources of knowledge and wisdom than we poor cousins. *(Full confession: that is a data-free assertion. I have absolutely no idea what the actual comparative level of knowledge resources is for the for-profit and non-profit sectors. But I doubt anyone has figured out the algorithm or performed the calculation, so it feels pretty safe to lay the columnist's sweeping claim. And therein lies a tale: lots of what we assert in our sector are anecdotes masquerading as trends).*

Consider the sorts of data, information and knowledge available in the for-profit sector: public-good data and information; analyst research and credit ratings on publicly traded companies; academic research at business schools and other parts of the university, independent research institutes, sector-specific research for industry associations; information and insights from the leading consulting firms; and business journalism *(Did any of this*

*“As Dr Paul Farmer, co-founder of Partners in Health so movingly puts it, what does it matter if he can cure a woman of tuberculosis so that she can die of malnutrition?”*

*prevent the mortgage meltdown? Sorry, wrong column).*

All of those resources allow true investors to gather data, information and knowledge to build the wisdom to answer questions about whether a particular company is the optimal choice given certain investment goals.

Looking over the landscape of knowledge resources for the business sector reveals not only the relative paucity of resources for philanthropy but also highlights the second major challenge: the infrastructure issue. Many of the sources of data, information and knowledge noted above are independent of both investor and investee, or at least they are supposed to be.

But in philanthropy, we rarely get independent knowledge. Often the funder pays for the evaluation study of a grant or grant program. In essence, foundations and donor say, *“Look, here's some money. We have lots of it. Tell us if we made smart decisions. If you do a good job on this assessment, we will probably hire you again.”* This is not an attack on funders. In fact, we just did this ourselves at Rockefeller Philanthropy Advisors: we hired an evaluation firm to assess the results of a capacity-building programme in the Caribbean that we developed for a charitable trust. The evaluation firm has a good reputation and presumably keeps it by not allowing itself to be ‘bought’ by its client.

In philanthropy, we have no other way to get knowledge except through this system. But it's not exactly complete and total independence, right?

What's the alternative? Who should pay for the kind of knowledge-building that will lead to wisdom? In the olden days (i.e., pre-1980) we thought it might be the public sector, since this is after all for the public benefit. Then in the heyday of venture philanthropy (1995-2001) we thought it would be the investor-donors, who would demand the same quality of analysis for the philanthropic sector as for the business world. Recently, some serious efforts to identify the best grant opportunities using a business-style level of rigor have emerged – New Philanthropy Capital, for example.

But is there the level of long-term funding that would be needed to build this knowledge for all the major issues affecting all the major regions of the world? The evidence, pardon the phrase, is scanty and discouraging. But surely there is an opportunity now for foundations and donors to think about the return on investment in building a field of wisdom.

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

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)

## Catalyst launches social investment website

Socialinvestments.com is designed to provide the public with information about investing in UK social businesses and enterprises. It currently lists information on nearly 100 businesses.

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

## Equity Plus social business angel network launched

Following government-funded research, Equity Plus has been launched as an investment organisation. It plans in the next year to have 75 'business angels' on board and to help eight to ten social enterprises with deals ranging between £750,000 and £1m.

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

## Social Finance Ltd launched to help accelerate social investment market

Social Finance has been launched to connect the third sector to capital markets. Using financial innovation, it will support the raising and deployment of capital and research markets and opportunities.

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

## Charity Bank launches new look and new financing services for charities

At its annual general meeting, Charity Bank launched an asset finance service for charities and emerging social enterprises, as well as two new deposit products. It also announced a new look to better communicate its ethos and values.

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

## Triodos Bank announces 23% growth in 2007

Triodos has announced that its balance sheet rose to £1.4 billion in 2007. Triodos attributes this growth to growing public concern about climate change and other ethical and environmental issues.

► [www.triodos.co.uk](http://www.triodos.co.uk)

## Co-operative share issues being developed in Somerset

The Somerset Co-operative Services CIC is presently working on three share issues. These are for The Ecological Land Co-operative to support small sustainable farms, The Good Fuel Co-operative to expand its biodiesel production and Lightweight Community Transport to revive local rail services.

► [www.somerset.coop](http://www.somerset.coop)

## CDFA annual report shows 59% growth in community banking sector

The Community Development Finance Association finds that investment and loans in the sector at end of March 2007 was £287m. CDFA's annual conference, Money For Change, will take place 25th-27th June in Leeds.

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

## Ethical Property Company outperforms commercial property sector

The Ethical Property Company's 2007 financial returns of 10.6% outstripped the average return for the commercial property sector while also improving its environmental and social performance.

► [www.ethicalproperty.co.uk](http://www.ethicalproperty.co.uk)

## Unity Trust Bank provides £2m loan to Action Housing and Support

AHS provides support to socially excluded people to combat homelessness issues. The loan will help fund a property portfolio expansion.

► [www.unity.uk.com](http://www.unity.uk.com)

## Gordon Brown announced plans to develop microfinance in Africa

The Department for International Development will work with the Grameen Group and seek matched funds of £500,000 from private sector partners to help build skills and knowledge to develop microfinance in Africa.

► [www.dfid.gov.uk](http://www.dfid.gov.uk)

## Social investing pioneer Nigel Kershaw honoured

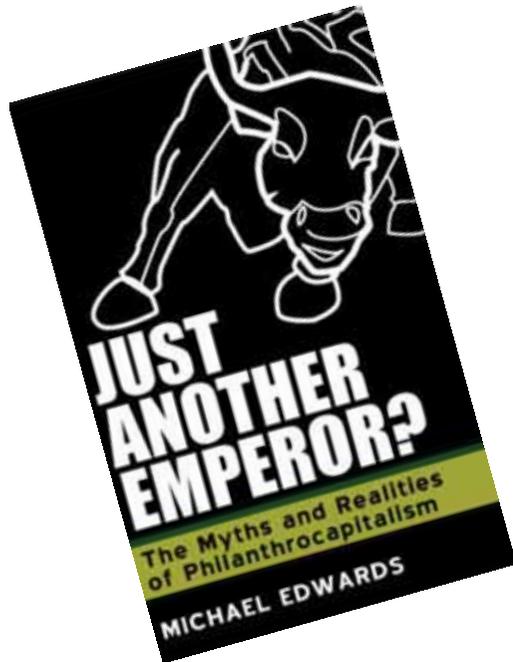
Nigel, CEO of Big Issue Invest, has been honoured by Director Magazine as Good Director for Enterprise for his outstanding contribution alongside Sir Stuart Rose of Marks & Spencer and Lord Bilimoria of Cobra Beer.

► [www.biginvest.co.uk](http://www.biginvest.co.uk)

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

# Publication reviews and notices

## reviews



### Just Another Emperor? The Myths and Realities of Philanthrocapitalism

Michael Edwards

New York: Demos and The Young Foundation, February 2008. 108pp. Paperback. ISBN 978-0-9816151-1-0 £7.95 [www.youngfoundation.org](http://www.youngfoundation.org)

#### Reviewed by Beth Breeze

The question mark in the title of this book is rather redundant as the author harbours no real doubts that the hype concerning philanthrocapitalism is as unwarranted as the lavish praise for the emperor's non-existent new threads.

But, just as it was the swindling tailors, rather than the emperor himself, who persuaded the crowds to applaud their skills, so too it is arguable that any hype about new types of philanthropy has been whipped up by observers rather than rich donors themselves.

Edwards is extremely exercised by claims that “a new movement is afoot that promises to save the world”, yet the only people who could be accused of making such an arrogant statement are the journalists Matthew Bishop and Michael Green whose book ‘Philanthrocapitalism: How the rich are trying to save the world’ does at least contain the qualifier ‘trying’.

So at the heart of Edwards’ interesting, well-written and passionate argument is a straw man. Of course it would be presumptuous, over-blown and untrue to claim that business methods alone can save the world by creating large-scale social transformations – but who, apart from the critics, says it can?

Indeed, Edwards provides us with many examples of philanthrocapitalists who make far humbler claims. He quotes Melinda Gates acknowledging that, “we know we didn’t invent philanthropy...we have relied so much on those who came before us”. Ebay founder Pierre Omidyar concurs with Edward’s arguments about the limits of using the business approach in civil society saying, “I don’t believe there is a for-profit answer to everything”. And Bill Clinton is quoted as suggesting this approach should be used only “where it is appropriate”.

Perhaps this trio are the exception, and most American philanthrocapitalists do need to eat the slice of humble pie being served up by Edwards. But in the UK we are still in the phase of encouraging role models to put

their heads above the philanthropic parapet, and should be in no rush to encourage a backlash.

In parts, Edwards' conviction in his own critique is in doubt, as he appears fully aware of the significant impacts made by the targets of his ire. In addition to citing the successes of micro-finance and the new green revolution, he notes, *"Given that someone dies from malaria every 30 seconds and that treated bed nets can be produced and distributed at very low costs, these investments are extremely important and there is every reason to think that business and markets can help bring them to fruition"*.

This disjunction between Edwards' scattergun assault on the motives and methods of modern donors and his cooler assessment of their many achievements, makes it appear that his true aim may be to 'enliven the debate', which he certainly accomplishes, given the amount of discussion the book has generated. Yet this enlivening process involves over-stating the case by slating the new rich and leaving no room for reconciliation between business and civil society values.

Much criticism that is ostensibly levelled at philanthropists (new, old, capitalist or otherwise) is, on closer examination, thinly veiled criticism of the possession of great wealth, not its distribution by whatever means. Edwards' attack on those adhering to a philosophy 'rooted in money and self interest' reveals more about his anti-rich prejudices than it does about the ability of people who have made money in business being able to turn it to some public good.

Indeed, it is this aspect of his argument that I found most puzzling. Firstly the suggestion that money earned in pursuit of capitalist values can only ever be part of the problem rather than the solution, is to cast doubt on the ability of anyone living, and earning a living, in free market societies to make charitable donations. Why should my tenner to Oxfam escape accusations of hypocrisy when, as a writer living in the UK, I clearly benefit from global inequalities?

Secondly, the chasm that Edwards sees between the values and actions of people leading civil society organisations and those leading businesses is depicted as unbridgeable, *"in markets, we are customers... in civil*

*society we are citizens"*. But must people be either red-in-tooth-and-claw capitalists or co-operative participants in civil society? Our social roles are not like hats that we can wear only one at a time, people slip easily in and out of multiple roles every day. Businesspeople are also parents, opera appreciators, football fans, followers of religions and passionate about numerous causes.

In the same month this book was published, Bill Gates gave a talk at the University of Chicago in which he pointed out that *"malaria kills one million people a year; baldness hasn't killed anyone yet,"* so he asks why it is that *"less than 10 percent of the money spent on curing baldness is spent on fighting malaria"*. To refuse to countenance giving Gates credit because he made his money in Microsoft, is to undermine a powerful advocate for change, who has ideas and the money to make them happen.

This book is worth reading as an interesting provocation, and it does a service in bringing debates about philanthropy to wider attention, but it is ultimately a counsel of despair. It suggests that philanthropy must wait until after the revolution and in the meantime lets those with the most to give off the hook by convincing them they are intractably part of the problem. However, as capitalism's dominance shows no signs of abating, we can either bash those who succeed in this system or we can encourage and support them in making the most effective interventions in tackling social injustice.

Ultimately, Edwards' bark is worse than the bite of his argument. Not only does he conclude that *"Philanthrocapitalism offers one way of increasing the social value of the market"* he also volunteers that if he were invited to address a gathering of the donors he has sought to demonise, he would begin by thanking them and acknowledging that without their efforts, *"the world would be further from the commercial and technological advances required to cure malaria and get micro-credit to everyone who needs it"*. Looks like Edwards can see the emperor's shiny new suit after all.

*Beth Breeze is Publications Editor of Philanthropy UK*

### **Grassroots Philanthropy: Fieldnotes of a maverick grantmaker**

Bill Somerville with Fred Setterberg

Berkeley, CA: Heyday Books, Feb 2008. 144pp. Hard & paperback. \$15. ISBN 978-1597140843.  
www.heydaybooks.com £15.99

### ***Reviewed by Jacqueline Cassidy***

Foundations in the US have phenomenal wealth with assets in the billions. Grant-makers enjoy great freedom in deciding how this money is spent without answering to any regulator or shareholder and have the ability to take risks and innovate where others cannot intervene. The author of this book - a maverick grant-maker as the title suggests - argues that this luxurious position is wasted.

Somerville, chief executive of Philanthropic Ventures, rejects the rarefied atmosphere of the funding world, preferring to be out in the community meeting people and learning how funds can be spent to improve local communities. He is focused on outcomes, but does not believe in giving fundees long prescriptive lists of key performance indicators. Instead he has a vision of a more just society where grant-makers are enablers rather than gatekeepers.

The author also argues that the lack of public criticism of philanthropic foundations is not a sign of success but rather due to fundees' fear of biting the hand that feeds them. Somerville offers a scathing critique: philanthropic foundations are filled with untrained staff who focus on maintaining their endowment rather than tackling society's problems; grant-makers are often perceived as

'arrogant' rather than as collaborators in promoting social change; and when grant-makers venture outside their offices they talk to other funders rather than the recipients of their largesse. Somerville therefore proposes a five-step programme to challenge foundations and reinvigorate grant-making.

**Principle 1:** Fund people not paper. Potential funders usually insist on seeing copies of annual reports, development plans and grant applications but, as in business, it is the human capital which makes the difference to success or failure in a new venture. Funders therefore need to go out into the field and meet the people who have passion to change lives, rather than the ability to write a funding bid.

**Principle 2:** Move quickly and shred paper. Somerville accuses foundations of emulating "*the worst aspects of big government, with cumbersome regulations, endless forms and arcane bureaucratic procedures*". Many excellent smaller, volunteer-run, organisations are put off by complicated processes and the demands of potential funders inevitably diverts resources away from programmes. Exemplifying this approach, Somerville faxed flyers to 47,000 public school teachers in the San Francisco Bay area inviting them to bid for \$500 to fund either a field trip or classroom equipment. Applicants were asked to send no more than one page of information on school letterhead and have it co-signed by the head teacher. The response was phenomenal because teachers and students were delighted by the simplicity of the process and four foundation staff were easily able to cope with all the requests. The donor, who originally committed £100,000 to the project, was so pleased with the results that he increased the funds available and this scheme has now distributed \$3.5 million in 'immediate response grants.'

**Principle 3:** Embrace risk. Somerville insists that successful grant making comes from taking risks and being prepared to get it wrong, yet grant-makers still overwhelmingly prefer safety and predictability. The author does not advocate taking risks for the sake of it, but says funders should assess the potential of unproven projects and take calculated risks based on the leadership, creativity and potential impact of potential recipients. For example, Somerville once granted \$10,000 to a local journalist to distribute amongst a Spanish-speaking community; the money was wisely used for many small but important projects such as creating a support circle for Spanish-speaking mothers at the local school.

**Principle 4:** Focus on ideas instead of problems. Grant-makers may not be able to solve all the world's problems, but through creative thinking they can make it a better place to be. Spurred on by the plight of poor women, one donor suggested that \$200 couldn't solve their problems but could pay for a 'day off' and serve to recognise and value their contribution. Low-income women, nominated by headteachers, social workers and clergy, were given the opportunity to put themselves first for one day; some went to the movies alone, others had their hair and nails done, others just enjoyed a stroll by the beach. Visiting other funders, brainstorming with colleagues, and allowing imaginations to run unfettered can all aid the generation of such ideas.

**Principle 5:** Take the initiative. Funding is often reactive and passive, funders choose the problems they are interested in and then wait for applications to arrive. Somerville urges officers and trustees to be proactive, spend as much time as possible outside the office to assess need and meet the people who are helping to tackle problems in local communities.

In conclusion, this book is littered with useful examples from Somerville's 40-year career and is a quick and easy read that contains much to challenge, inspire and energise even the most jaded grant-maker. Some UK funders are already attempting to reduce bureaucratic burdens by using shorter application forms, offering pre- and post-grant support and undertaking common monitoring. However, there is much more to be done and grant-makers seeking to make the most of their funds to achieve common goals of a fairer, more just society would do well to recall Somerville's principles which should ensure that grant-makers' work remains exciting, inspired and fun.

*Jacqueline Cassidy is Director of grant-making charity the Kent People's Trust*



*Jacqueline Cassidy*

# Influential reading: *Mark Evans*

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

Our 'influential reader' in this edition is Mark Evans, Head of Family Business and Philanthropy at Coutts & Co. He can be contacted at [mark.evans@coutts.com](mailto:mark.evans@coutts.com).

## **Mark says:**

The three books that I have chosen to review throw an interesting light on why people give, but are unlikely to be found on most philanthropists' bookshelves.

I came across the first book in the waiting room of my local doctor. **Moral Minds: How Nature Designed Our Universal Sense of Right and Wrong**, by Marc D. Hauser, challenges the commonly held view that our 'moral instinct' is based on experience, education and religion. Instead it argues we have an in-built 'moral instinct' that has evolved over millions of years and that experience, education and religion serve to guide it. What is fascinating is the way Hauser uses a series of moral dilemmas to make his point. By way of example, he asks us to compare our response to two different situations. In the first, we are to imagine that we are driving along a country road in a brand new car with white leather seats. We see an injured child covered in blood who looks as though she has been run over. We pick her up and take her to hospital even though it's going to ruin our leather interior and cost us several hundred dollars to clean. In the second, we receive a letter from a well-known charity asking for \$25 to save the lives of 25 children by providing them with oral rehydration salts.



Mark Evans

All of a sudden, we are forced to stop and think why most of us would feel obliged to help the child on the side of the road, but not the 25 children abroad. Although lots of reasons come to mind, Hauser suggests that it is because until recently in our evolutionary history humans could only help those in their immediate path. *“There were no opportunities for altruism at a distance”*. So could evolution be the reason why some philanthropists feel motivated by such a strong sense of moral duty?

I was introduced to the second book at the end of a conference organised by the Family Firm Institute in Miami. **A Whole New Mind** by Daniel H. Pink argues that Western Society is moving from ‘the Information Age’ to ‘the Conceptual Age’ and that right-brained people, such as designers, carers and storytellers, are going to take over the world from left-brained people such as like lawyers, accountants and computer programmers.

Pink illustrates his argument by pointing out that many left-brained tasks are being automated or out-sourced to countries in Asia and that online legal services are requiring more lawyers to replace ‘left-brain’ routine work with higher value ‘right-brain’ counselling and mediation. Pink also refers to the ‘backdrop of abundance’ in the West where it is no longer sufficient to offer ‘left-brain’ functionality. Manufacturers also need to pay attention to ‘right-brain’ design: even a toilet brush has to become an ‘object of desire’ to sell. Pink goes on to describe one of the characteristics of right-brained people as empathy, *“the ability to imagine yourself in someone else’s position”*.

He builds on this thought by explaining how empathy is particularly important for people in developed countries who are spending less time struggling to survive, and

more time searching for meaning. He concludes by saying that we are moving from ‘material want’ to ‘meaning want’, which could explain the driving force behind those philanthropists seeking personal fulfilment.

I came across the third book at another conference organised by the Family Firm Institute but this time in San Francisco. **Stumbling on Happiness** by Daniel Gilbert suggests that what most of us think makes us happy does not make us happy at all. For example, some research suggests we are less happy after we have had children, even though we regard children as a source of happiness.

As if this idea is not enough to compel you to read his book, Gilbert also questions the theories of people like Bernoulli, a Dutch polymath, who in 1738 said that *“the wisdom of any decision could be calculated by multiplying the probability that the decision will give us what we want by the utility of getting what we want”*, where ‘utility’ is something like ‘goodness or pleasure’. In other words, the wisdom of buying a new house requires us to estimate the probability of getting it and how we are going to feel when we get it. One of the reasons that Gilbert dispels Bernoulli’s theory is that it’s not easy to predict how we are going to feel about something before we get it. That said, he does accept the reason that wealth does not make us happy, is because happiness is not about how much wealth we have got, but how much ‘goodness’ our wealth will buy. No wonder philanthropists are increasingly heard to say that they are having more fun giving their money away than making it.

*“Happiness is not about how much wealth we have got, but how much ‘goodness’ our wealth will buy”*

# notices

## We Make A Life By What We Give

*Richard B. Gunderman*

The author of this book is not a typical writer on philanthropy; Gunderman is a professor of paediatrics, radiology and medical education, as well as associate professor at Indiana's Center on Philanthropy. It is therefore not surprising that his book differs from most in the field of philanthropy in several ways. It is not a history of philanthropy, nor does it focus on fundraising or the management of philanthropic organisations. Instead, Gunderman explores the ethical core of sharing and highlights its importance both for those who give and for those who receive. The book contains 22 short essays, described by the author as "invitations to ongoing dialogue" with tantalising titles such as "The seven deadly sins", 'Materialist philanthropy and 'Who is expendable?'.

Bloomington, Indiana: Indiana University Press, June 2008. 130pp. Hardback. ISBN 978-0-253-35076-3  
<http://iupress.indiana.edu> \$24.95

## Your Chance to Change the World: The no-fibbing guide to social entrepreneurship

*Craig Dearden-Phillips*

The author, a successful and award-winning social entrepreneur, says this is the book that he wishes had been available when he embarked on his first social enterprise. It draws on the experience of 25 social entrepreneurs and provides inspiration and encouragement to potential change-agents, as well as more prosaic advice including how to write a business plan and keep on top of finances. Written in a lively and honest style – the failure of some of Dearden-Phillips projects are discussed upfront – this book is a practical guide for people feeling the urge to take action but in need of a helping hand to get started.

London: Directory of Social Change in association with the School for Social Entrepreneurs, April 2008. 176pp. Paperback. ISBN 978-1-903991-93-0 [www.dsc.org.uk](http://www.dsc.org.uk) £14.95

## Giving Well, Doing Good

*Amy A. Kass (editor)*

This book is a sequel-of-sorts to Kass' highly successful first edited anthology of writings about philanthropy, 'The Perfect Gift', which gained sales outside the usual academic audience. This volume includes a selection of readings from the classics to the contemporary, and its breadth encompasses political speeches, foundation documents and the words of poets and novelists. The extracts are organised within five themes: goals and intentions; gifts, donors, recipients; bequests and legacies, effectiveness, accountability; and philanthropic leadership. It is the sort of book that can be dipped into for inspiration and stimulation.

Bloomington, Indianapolis: Indiana University Press, April 2008. 520pp. Cloth. ISBN 978-0-253-21955-8. <http://iupress.indiana.edu> \$19.95

## Volunteers: A Social Profile

*Marc A. Musick and John Wilson*

This comprehensive book is described as "*an eye-opening portrait of the volunteer in contemporary society*". At nearly 700 pages in length, it is certainly an exhaustive portrait that seeks to meet the information and reflective needs of both practitioners and scholars. Musick and Wilson review the known research on volunteering and present the findings of their own investigations. The authors offer new insights into volunteer motivation, the social context of volunteering, historical trends and cross-national differences in volunteering. The final section reflects on the relationship between volunteering, citizenship and pro-social behaviour. The book concludes with over 50 pages of references, which makes it a particularly useful addition to any researcher's bookshelf.

Bloomington, Indianapolis: Indiana University Press, Feb 2008. 680pp. Cloth. ISBN 978-0-253-34929-3. <http://iupress.indiana.edu> \$39.95

## Digital Giving: How technology is changing charity

*Richard C. McPherson*

The UK's fundraising guru, Ken Burnett, says of this book, "*I've seen the future; it's previewed in Digital Giving. You can either be scared or ignorant of what's coming, or learn how to love and use it*". This book is obviously aimed at people who choose the latter option, helping charity leaders to understand and harness the potential of new technologies to increase their income. It is written in a highly accessible, if obviously pro-geeky, style. The reader is warned that technology "*never turns back*" and that they need to know the answers to two key questions: what are the big technology trends affecting charity and how can organisations embrace them to increase public support? For anyone who feels they need to know the answers to those questions, an hour or so reading this book could do the trick.

Lincoln, NE: iUniverse, 2007. 108pp. Paperback. ISBN 978-0-595-44255-3. [www.iuniverse.com](http://www.iuniverse.com) \$13.95

## Philanthropists without borders: Supporting charities in developing countries

*Cathy Langerman and Sylvia Rowley*

This report argues that donors face a number of barriers when giving internationally due to the lack of independent information on charities operating in developing countries and the vast scale of human suffering and environmental degradation, which can be overwhelming and off-putting. This report presents an overview of the current state of international giving and aims to help donors tackle some of these barriers to funding overseas. It contains interesting statistics including the fact that UK donors gave over £1 billion to international causes in 2006 and that 16% of civil society income in developing countries comes from philanthropy. This report also includes overviews on the areas of education, health and microfinance, gives examples of successful funding overseas and provides potential donors with a framework for thinking about their international giving.

London: New Philanthropy Capital, March 2008. 88pp.  
Free download available at  
<http://www.philanthropycapital.org/download/default.aspx?id=866>

## Violence against women: Hard knock life

*Justine Järvinen, Angela Kail & Iona Miller*

This report on violence against women shows donors that there are proven ways to keep women safe and help women recover from abuse. It provides startling facts, for example, that a woman is more likely to be sexually assaulted than she is to get breast cancer, that two thirds of women in prostitution started before they were 16 years old and that 3,000 forced marriages take place in the UK every year. The report concludes that private donors can make a huge difference in this sector by working with vulnerable girls who might grow up to become victims, by changing public attitudes about the issue of violence against women and by supporting charities that provide specialist services for victims and help to keep them safe, including counseling and support through the justice system.

London: New Philanthropy Capital, April 2008. 132pp.  
Free download available at  
<http://www.philanthropycapital.org/download/default.aspx?id=870>

# My philanthropic journey

*“Whatever you decide to do, bring passion and commitment to it”*

## Giving back with passion and commitment

by Tony Blair

Although I am a patron of several excellent organisations, I have only recently set up my own charitable bodies. So I'm delighted to have been asked to contribute this article to Philanthropy UK.

I firmly believe that few things are more important to a just society, and the flourishing of its members, than a strong and feisty charitable sector.

While I was Prime Minister I saw the voluntary sector's huge power for good. And we, the government, tried our best to support volunteering and the third sector and, at the least, not to get too much in its way. Without the efforts of charities, faith groups, social entrepreneurs and voluntary bodies great and small, British life would be poorer, less cohesive and less free. For as well as helping those who need help, the very existence of a strong voluntary sector is a crucial check on a potentially overweening state.

Since I left office I've enjoyed the freedom to develop, hands-on, some of my own ideas in this field and put them into practice.

First, I have set up a Sports Foundation in the North East, to give something back to the region which

*Tony Blair in Malaysia at the launch of his Faith Foundation. © Reuters*



*“Without the efforts of charities, faith groups, social entrepreneurs and voluntary bodies great and small, British life would be poorer, less cohesive and less free”*

supported me as an MP. It makes small grants to adults so that they can train as coaches or referees, thus expanding the opportunities for children to play sport. I've learnt from this the amazing power that even £30 or £40 can have in enabling an adult to get stuck in and thus open up a world of sport to kids who might otherwise never have experienced it.

Secondly, there's work on climate change: Breaking the Climate Deadlock. We almost all acknowledge now that climate change is one of the world's biggest challenges. If we don't find an answer, millions will suffer and our planet will be irrevocably altered for the worst. We need to focus on solutions that are both technically and politically feasible. That's what my group of experts is working hard to do.

Thirdly, I have been pursuing work on governance in Africa, building on my long-standing interest in that great continent. I'm collaborating with President Kagame of Rwanda to develop better ways of working at the heart of the Rwandan government and to attract private investment. I hope to expand this to another African country soon.

And fourthly, I've launched a Faith Foundation. So much philanthropic effort has a religious motive. Helping others is a central tenet for every major religion, and countless voluntary groups are rooted in their members' faith. So I

regret that public perception of religion is often negative. I want to help faiths work more closely together for the common good and to counter the bleak image of religion that many people have. And I want to help encourage a greater understanding of faith, and its power for good, in this globalised world, where more and more people of different faiths live side by side and need to do so with trust and mutual comprehension. Those who said that religion was becoming an irrelevance have been proved wrong. If decision-makers don't understand the power of religion, then many of their decisions will be faulty.

These four very different bodies have prompted me to think about some core issues common to each of them – and perhaps to any 'start-up' in the voluntary sector.

Where can you, with your resources, skills and interests, most make a difference? For example, I hope I can bring some added profile and political nous to my organisations' work.

When you've decided where you can add value, recognise that many people are probably doing good work already in the same area so don't think that you'll be the one who'll provide the Eureka moment.

Therefore look for partnerships and synergy – with those active in other charities, and those whom you're setting out to help.

Whatever you decide to do, bring passion and commitment to it. They'll have spin-offs in terms of creativity and drawing others in.

Develop a strategy and plug away at it. But also be flexible and seize new opportunities. Some say the aim of any charity is to do itself out of a job. I'm not sure that's universally true. There will almost always be new needs. So try to stay ahead of the game.

Even if the work is complex, keep your aims as simple as possible. That will maximise others' involvement.

Finally, comparing my old and new worlds, I'd say that in philanthropy, unlike politics most of the time, you can genuinely welcome others alongside you. Ultimately in politics you have to set up hard choices between yourself and your opponents. In the charitable world, whilst I know there are sometimes deep differences about the best way forward, more often than not there will be the warmest of welcomes for anyone wanting to contribute to a common endeavour.

▶ **Tony Blair Faith Foundation:**  
<http://tonyblairfaithfoundation.org>

▶ **Tony Blair Sports Foundation:**  
<http://tonyblairsportsfoundation.org>

*Tony Blair was Prime Minister of the United Kingdom from 1997-2007.*

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## Quarterly news highlights

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| <p>09/04/08 <b>New initiative to promote Islamic philanthropy</b><br/>The first international congress of Muslim philanthropists took place in Istanbul in March. Over 200 philanthropic and charity participants from 27 countries as far-afield as Libya, Malaysia and the UK met to discuss and debate the theme <i>'Facing challenges and Finding Solutions'</i>.</p> | <p>05/06/08 <b>Making mission-connected investment possible</b><br/>A new report examining how charitable foundations and philanthropic organisations can use a proportion of their endowment in support of their goals via Mission Connected Investment (MCI) has been published by the new economics foundation (nef).</p>  | <p>22/05/08 <b>Foundation launches new finance fund</b><br/>A new £15m Finance Fund that will offer selected organisations investment finance has been established by the Esmée Fairbairn Foundation. It follows a nine-month pilot, partnered with Venturesome, that the Foundation undertook to explore the opportunities for alternatives to grant finance and to build on its previous loans programme.</p>   |
| <p>24/04/08 <b>Prime Minister lays foundations for joint UK &amp; US philanthropy</b><br/>Writing in the <i>Wall Street Journal</i> Prime Minister Gordon Brown outlined his proposal for <i>'Enlarging the Anglosphere'</i> between Britain and USA in a variety of ways including a joint philanthropy convention.</p>  | <p>09/05/08 <b>Amazing growth in Philanthropy UK readers reflects general trends</b><br/>A staggering 100% growth in Philanthropy UK's newsletter subscriptions since its re-brand in March 2007 indicates that the philanthropy sector is thriving. Almost £2.38bn has been given away or pledged by the leading 30 philanthropists among Britain's richest 1,000 individuals.</p> | <p>22/05/08 <b>New Sunday Times Green List announced</b><br/>The inaugural <i>Sunday Times Green List 2008</i> has been announced, with 50 companies out of 88 entries fulfilling the stringent criteria. The newspaper's first competition to find companies that are striving to improve their environmental performance was launched to reflect the changing mood in the business world and the wider responsibility taken to ensure that companies minimise their environmental impact.</p> |
| <p>25/04/08 <b>Arts and culture to focus on private giving in new campaign</b><br/>A campaign to encourage private giving across arts and culture in the UK, <i>'Private Giving for the Public Good'</i>, has been launched with the support of Philanthropy UK.</p>  | <p>09/05/08 <b>Business should offer charities specialist skills, shows new research</b><br/>Research, <i>'Developing Understanding Around Non-Financial Support'</i>, into how charities and companies can work better together for mutual benefit has been launched by the Nationwide Foundation, together with the Abbey Charitable Trust and Volunteering England.</p>          |   |