The Beacon Collaborative

Beacon Collaborative Conference – The Findings

On 16th January 2019, 100 philanthropists, sector leaders, policy makers and senior advisers met at The Charterhouse to discuss how they could work collectively to increase levels of giving and social investment in the UK.

The meeting was initiated by the Beacon Collaborative, which is a coordinating organisation committed to increasing giving by £2 billion a year from the wealthy population. The event was a partnership between the Beacon Collaborative, Philanthropy Impact, Owen James and EY who contributed their knowledge, networks and logistical support to convene the widest possible participation for the event.

The morning combined roundtable discussions with input from three keynote speakers. Sir Lloyd Dorfman, Rushanara Ali MP and Fran Perrin, co-founder of 360 Giving.

Sir Lloyd opened the event by sharing thoughts on what drives him as a philanthropist. He commented that his Jewish faith is an important influence in his giving, but it is not the only reason that he gives. He talked about the pleasure and satisfaction he derives from giving – knowing his contributions will support others and open opportunities that might not otherwise be available.

He observed that philanthropy is an expression of his values and his bond with civil society. As Britain continues to grapple with its identity and value set, he observed we might yet find there is a bigger role for philanthropy to play.

Rushanara Ali spoke from her own experience of setting up and running social projects throughout her career. She commented on the importance of involving the community if you want to achieve effective change. Good philanthropy is entrepreneurial, but the best kind of philanthropy is a partnership between donors, organisations and the communities and individuals whose lives they touch.

Fran Perrin commented on the power of transparency to drive effective collaboration. Taking her experience at 360 Giving as her example, she observed how encouraging other funders to publish their grants data (in a common, online format) has created an open resource for other donors to spot opportunities and find partners to drive change. Funders are often afraid to open up and share, she observed, but when they do, they benefit from greater collective knowledge and can create new pathways for others to follow that can significantly leverage their impact.

In addition to these presentations, there were a total of 16 roundtable discussion groups covering four topics.

- **Motivating the majority** – exploring the targeted activities that might encourage more giving by the wealthy.
- **Promoting and celebrating** – discussing what it will take to make philanthropy and social investment normal.
- **Driving the future of philanthropy and social investment** – considering how to encourage the Millennial generation as a force for positive change.
- **Philanthropy, social investment or both** – questioning whether it is time we bring these activities closer together.

Motivating the Majority

When it comes to philanthropic giving, there is only one critical question: why don't more wealthy people give? This session tackled this topic and identified several underlying themes.

- Low levels of awareness, interest or engagement with social or environment challenges
- Lack of time to engage with societal needs or environmental challenges
- Belief that that wealth holders contribute adequately to society through higher levels of taxation

Put simply, the participants identified that there is no expectation from society on wealth holders to make a contribution that goes beyond the tax system. Consequently, the needs of wider society and the opportunities for civil engagement rarely cross the radar of most wealth holders.

This low level of priority is compounded by the uniquely British characteristic to avoid the subject of wealth altogether. "We hide behind walls and refuse to accept that we have money," said one participant.

Thus, in crude terms, giving money away contravenes social norms on a number of levels.

However, participants also noted that Britain's social values are changing. As a society, there is a broad re-examination taking place about where responsibilities lie for tackling social need and environmental sustainability. Within that context, the ethics of wealth are also under review.

In the public sphere, the emphasis on corporate responsibility has seen many companies start to create a culture of giving among their staff. Meanwhile, in the private sphere, wealthy families also see giving as a way to embed social values across the generations.

So, how can we ensure this shift in values results in a normalisation of philanthropy, and more and better giving and social investment? Also, how can we accelerate that change?

Among the ideas put forward by the participants were:

- **Re-frame the public narrative around giving and social investment**

Society needs to grapple with the role of private wealth to support our civil institutions, to address need and to tackle social and environmental challenges. In this debate, we have the opportunity to frame a coherent "giving is good" narrative for philanthropy and social investment to encourage those with wealth to take a bold step and engage in social impact.

- **Embrace diversity in giving**

Philanthropy is often seen as the preserve of the white middle-aged middle class. To reframe how giving is perceived at a societal level we need to understand how different groups "give back" across age, ethnic, religious and gender divides and how giving involves whole communities.

Whether in schools, businesses, or other community groups, we need to promote a wide range of initiatives that enable people, across communities and in all walks of life, to engage in social impact in the ways that are most meaningful to them.

Philanthropy needs to be seen not as an elitist activity but as part of a wider fabric of social engagement. By framing major giving and social investment as a piece within the jigsaw of social impact we can show it to be part of the solution, and not evidence of the problems choking society.

- **Promote professional advice and relationship-based fundraising**

As many wealth holders don't have the time to engage with the complexities of giving, we need to champion the role of professional advisers and supportive fundraisers to help newcomers to social impact to engage with the complexity of giving and investing well.

We must recognise that the traditionally private nature of philanthropy and social investment means that best practice is often opaque, fragmented and hidden from view. The emergence of a sector that includes advisers, providers and specialist fundraisers is relatively new. These disciplines need to develop with common standards that can give confidence to new givers and ensure they have a positive experience.

- **Peer leadership, mentoring and education**

Those who have gained experience in giving may not realise it, but they have a precious resource they can share. The willingness of individual philanthropists, trusts and foundations, to share information, knowledge and best practice will help others to accelerate their learning.

Those who are already active as philanthropists and social investors can help to normalise giving simply by opening up. The more individuals step forward to talk about their work, the more presence philanthropy will have in our society and the more normal it will become.

They don't need to be in the spotlight, but by talking about the causes they support and the different approaches they use, they can create new ways in for those who haven't engaged in social impact before.

In summary, the public discourse on values and identity within our society presents an opening for philanthropy and social investment to take hold. It is a transition that will need nurturing and can only be led by those who have the most experience to share.

Promoting and Celebrating

This session dug into the detail of how we can forge a positive narrative for philanthropy for the modern age. Participants considered how we should celebrate philanthropy and social investment to ensure we promote practices that are congruent with society's needs.

Participants first debated the current political climate. With social values currently up for grabs, the participants felt the hostile media attitude toward philanthropy could grow if we are unable to claim philanthropy as a legitimate force for good.

In part, hostility stems from long-standing negative connotations associated with the term philanthropy, which carries undertones of patronage, private projects and a lack of accountability. In a time of populism, participants felt this narrative could be whipped up to characterise philanthropy and philanthropists as undemocratic and out of step with the needs of society.

Social investment is less tainted by this legacy. However, as philanthropy and social investment have equally important roles to play in achieving social impact, participants felt we must grapple with the challenge of reclaiming philanthropy as an act of citizenship and solidarity with our communities and society at large.

- **Dialogue**

First and foremost, we must be prepared to engage actively in the debate about the role of philanthropy in society. This means we need a public voice and powerful arguments for the role for philanthropy within a liberal democracy.

Our narrative must be clear on the responsibilities of the State versus those of civil society. Our messages must clarify that private philanthropy cannot, and should not, replace public spending. Rather, the role of philanthropy is to partner and complement public priorities, offering a form of capital that is not freely available and that can support social innovation to catalyse positive changes for all in our society.

Participants proposed the creation of a "philanthropy media unit" to promote a positive image of philanthropy, counterbalancing negative perceptions with evidence, story-telling and openness.

- **Positive practices**

Secondly, we must show how philanthropy is embedded in our society and contributing to social cohesion.

We must promote models of giving practice that engage communities, such as volunteering, corporate responsibility, participatory grantmaking, and community investment. These approaches show philanthropists and philanthropy working alongside others – not in isolation and away from scrutiny.

And, above all, we must celebrate the elements of philanthropy we wish to promote, such innovation, transparency, partnership and profit with a purpose.

- **Partnership**

Lastly, the participants explored how partnerships with local councils, national government and infrastructure bodies could reinforce the shared responsibility of government and private individuals for our civil society.

They suggested the introduction of "philanthropy liaison officers" in local and national government to help engagement with philanthropists, to develop models for philanthropic partnership, such as matched funding, and to coordinate philanthropy with public spending priorities.

In summary, this session highlighted that philanthropists may be individualists, but there is a need for a collective voice to make the case for privately-driven social impact. We cannot take for granted that giving will always be seen as a force for good. We must therefore take care to promote positive practices and to highlight the role of philanthropists as partners, not patrons, in a thriving civil society.

Driving the Future of Philanthropy and Social Investment

The Millennial generation is famed for pushing boundaries and their approach to philanthropy and social investment is no exception.

Participants in this session considered how we can harness the upcoming generation's desire to drive positive change in the world and nurture it effectively to enable young wealth holders to become a driving force for philanthropy and social investment in the future.

The discussion pinpointed that the Millennial generation may want to drive change, but they have many questions about how best to achieve this.

On the one hand, they are strongly motivated to achieve life alignment – connecting their jobs, consumer choices and investment decisions with their sense of social purpose. On the other hand, they want clarity about which levers to pull when and how best to make a difference.

They want to see market-driven solutions but mistrust large corporates and NGOs.

They understand the power of big data to collectivise decisions and measure impact, but their experience of data-driven giving can feel unrewarding as it doesn't always square with the emotional engagement they want to feel with causes and organisations.

They want to devote time to making wise decisions and they recognise that long-term investment is required to achieve long-term solutions. Yet, they urgently want to see change – and expect it to happen far more quickly than can be realised.

They are also often frustrated by their own time constraints, balancing careers and young families as well as their social impact activities.

They are comfortable in the crowd, as activists, crowd funders, conscious consumers and click-givers. This leads them to reject the more traditional style of philanthropy as being distant, lofty, stuffy and disconnected from the real world.

Put simply, the social spark within the Millennial generation offers an exciting opportunity to ignite change, but without support there is a risk their energy will be damped down with disillusionment.

This presents a conundrum for advisers, fundraisers, family and philanthropists. How can we share knowledge, experience and learning with a generation that is re-casting the mould?

Participants felt that technology offers the most practical way to support Millennial givers. Upgrading the technology toolkit will help to remodel the giving journey so that it is relevant to the digital generation.

Technology can create exciting opportunities by opening horizons to many projects, people and programmes for changes. Putting knowledge at the fingertips of the upcoming generation will build their confidence to engage and provide a mechanism to manage their time.

Data can also be used to show how their whole-life choices are making a difference. And options for giving and investing that are both large and small, personal and peer-driven, will enable them to get involved and stay involved on multiple levels.

As one participant put it, "don't underestimate the power of a happy-click."

However, participants also acknowledged that the technology toolkit will only be part of the solution to making sure Millennials build life-long giving habits.

Family, peers and professionals also have a role to play. It is their knowledge, networks, experience and advice that will support the next generation of givers to find fulfilment in their choices.

For example, change networks like BeyondMe provide opportunities for peer learning, sharing and collaborative giving that allow the Millennial generation to pool resources and boost their leverage.

Such networks are perfectly tailored to the time-poor, impact-hungry attitude of upcoming Millennial givers. Their offering underscores that the style and toolkit of philanthropy may be changing, but at its core the practice of giving is timeless: engage, learn, partner, grow, repeat.

Philanthropy, Social Investment or Both

This session tackled the thorny question of whether philanthropy and social investment are two ends of spectrum, or two sides of the same coin. Many financial firms and philanthropy sector organisations treat them as distinctly different activities, but this often frustrates clients who see them as part of the same portfolio.

On balance, participants felt that a siloed approach to philanthropy and social investment is cheating the wider system, as it is philanthropic capital that is most likely to seed the social investment revolution of the future.

"We have to think in terms of total portfolio impact. These are just different tools to achieve the same goal," said one participant.

By segregating philanthropy and social investment, participants also felt we run the risk of putting up artificial barriers to those who are engaging for the first time.

In particular, participants felt that both philanthropy and social investment are developing their own distinct lexicons and practices that are complex and arcane to newcomers.

In part this reflects the fact that total portfolio analysis is a relatively new science. Selecting, monitoring and evaluating deals from a financial and social return perspective is currently the preserve of only a few established trusts and foundations. These organisations are used to evaluating on a deal-by-deal basis with no established benchmarks, but many traditional financial firms are not willing or able to work in this way.

It was felt that experienced trusts and foundations should be encouraged to share their practices with the wider market and advisory community to encourage the development of market-wide standards.

Advisers in the group also pointed out that the different regulatory regimes make it hard, in practical terms, for firms and individual advisers to provide a holistic service. Philanthropy advisers, including those within large financial firms, are not regulated to advise on social investment deals.

It was felt that a direct approach to the Financial Conduct Authority might be fruitful to find a way for philanthropy advisers to position social investment alongside philanthropy in their early conversations with clients.

The different tax treatment for both activities also creates barriers. Professional advisers are getting better at engaging clients in discussions about philanthropy because there are a few tax planning options with the current reliefs. However, the tight qualifying restrictions for social investment tax relief have created a supply bottleneck for good quality deals.

Currently the philanthropy sector and the social investment community are advocating separately for changes to the tax regime that will make it easier to develop "investable" philanthropic and social investment solutions. Participants felt strongly that these advocacy initiatives should be aligned.

In summary, participants felt that fields of philanthropy and social investment need to be more joined up if we want to maximise the opportunities available for bringing in newcomers.

A Manifesto for Philanthropy

During the morning, participants were also asked to consider a Manifesto for Philanthropy which was proposed by the Beacon Collaborative (see page 9).

The Manifesto states in six short principles how philanthropic capital can be invested as a positive force for society.

Participants were asked to consider the Manifesto and if they agreed with the principles to sign it as an act of leadership and commitment to building the Collaborative movement.

A number of participants signed the Manifesto during the morning and the current tally of signatories can be found at: www.beaconawards.org.uk/manifesto/

A MANIFESTO FOR PHILANTHROPY
FROM THE BEACON COLLABORATIVE

The UK has a rich heritage of private philanthropy. It is scarcely possible to walk down any high street in our country without seeing the indelible mark of philanthropy in our hospitals, schools and universities, in libraries and community centres, theatres and museums, and in our religious and charitable institutions. Philanthropy is a force that has shaped our modern society.

More urgently, we are living in a time of great need, when inequality has led to deep divisions. With social and environmental needs at crisis levels, we believe those who have benefited from the opportunities to create wealth in our society should accept the responsibility of giving back as a civic duty.

Therefore, as wealth holders, we are seeking to encourage our peers to increase our annual charitable giving by £2 billion collectively.

The Beacon Collaborative believes that:

1. Wealth holders are the members of society with the greatest capacity to contribute our additional resources for public benefit.
2. Civil society flourishes when it is recognised to be a shared responsibility between government, the voluntary sector and private individuals.
3. The social contract must be reshaped; our economy offers the freedom to create great wealth, but with reward must come responsibility.
4. Private philanthropic capital represents a precious resource that is not readily available in the public or private sectors.
   - *Where government must be prudent with public funds, the philanthropist can take risks and freely invest in social innovation or pilot initiatives to address intractable problems.*
   - *Where government must meet the needs of the many, philanthropists can support small or specialist organisations, including those that help the most marginalised, partnering alongside or complementing public spending priorities.*
   - *And, where the private sector must maximise financial value, philanthropy can champion social or environmental causes, funding work that might never be commercialised or taken to scale.*
5. Philanthropy should be free to challenge the status quo where the outcome is a better society for all.
6. Philanthropy is a mechanism by which responsible citizens can deepen their engagement in society and it is additive to their contribution as tax-payers.

The barriers that hold many wealthy people back from giving more are surmountable. By working together, we can raise the confidence of those who may wish to give more, but who need to see their peers, the voluntary sector and policy makers taking the lead.

The Beacon Collaborative is a movement of philanthropists and organisations who are collectively committed to building on our nation's heritage of giving to increase the level of private assets available for public good in the UK.

To achieve our goal will take many actions by many people. We will do more this year, in the causes we support and by encouraging others in their philanthropy. **What will you do?**

Conclusions

In conclusion, the discussions at the conference highlighted that the UK is at a tipping point in terms of its social values. However, it is by no means certain that this will result automatically in an increase in philanthropy and social investment.

To achieve the goal of increasing giving by £2 billion a year, the sector will need to widen its frame of reference from purely philanthropy to a broader narrative of giving, volunteering, corporate responsibility and social investing. We will need to break down the barriers between these activities and draw on best practice from across the sector to share experience of what works and create pathways that others can follow.

We will also need to focus on the narrative of social impact: boldly stating the case for philanthropy as an act of citizenship and celebrating the forms of philanthropy and social investment that promote partnership and lead to social cohesion.

In short, we must be prepared to make the case for all forms of privately-driven social impact and show how they benefit individuals and society.

In spite of the challenges ahead, the participants showed the energy and commitment to work collectively toward this goal. In the words of one participant: "This is purposeful work and we are the ones who can equip the system."

Action Points

1. Develop and promote the narrative for philanthropy and social investment as a force for good within communities, society and our democracy. Share the Manifesto for Philanthropy and build on its key messages.

2. Embrace diversity and ensure best practices reflect the many different approaches to giving and social investment among different age groups, ethnic and religious groups, genders and backgrounds.

3. Promote models of philanthropy that are embedded in society and contribute to social cohesion.

4. Actively develop partnerships with local and national government to reinforce the shared responsibility for civil society.

5. Develop the technology toolkit to excite and engage the Millennial generation.

6. Seek opportunities to bring philanthropy and social investment closer together through sector co-operation, within organisations and considering the tax and regulatory regimes.