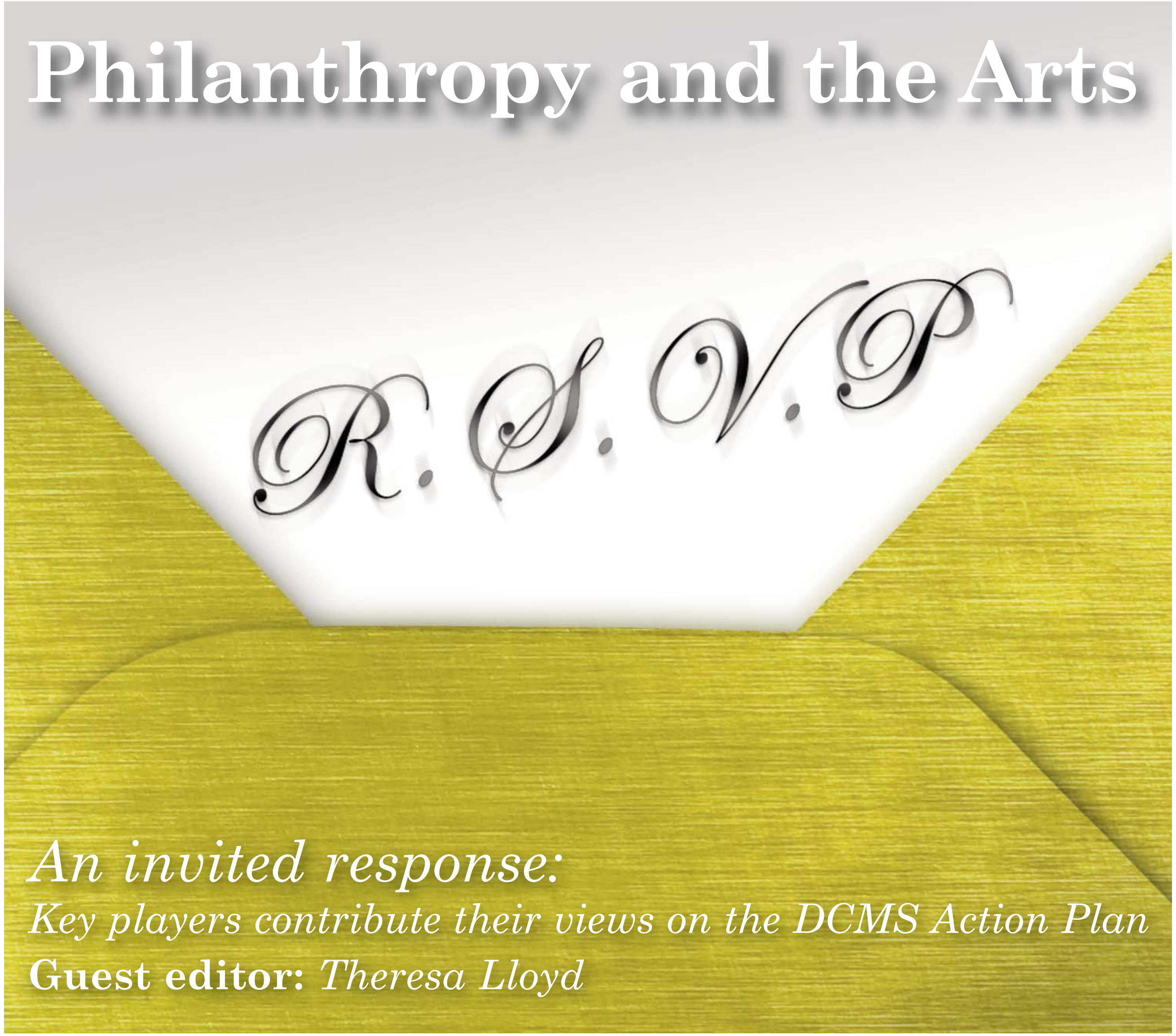
Issue 43: Spring 2011

philanthropy uk : quarterly *inspiring giving*

Philanthropy and the Arts



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The e-magazine for all those interested in the development of philanthropy

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Theresa Lloyd
guest editor

As well as the regular articles, features and book reviews, this issue has a particular focus on Philanthropy and the Arts. This is a response to an announcement by culture secretary Jeremy Hunt on 8th December of a 10-point Action Plan to boost philanthropy across the cultural sector. We asked a number of key players in the sector to comment and to address specific questions. and you can read their reactions, starting on page 5.

The extent and depth of contributions we have received for this issue are tribute to the interest in and importance of the topic for a range of organisations across the country. There is a broad welcome for the stated intention to encourage private philanthropy to the Arts. Not surprisingly there is a spectrum of views, but as we also see there are common themes.

They include:

- The need for the DCMS proposals to be expanded and more clearly defined – more than one person commented, "the devil is in the detail"
- There cannot be a one-size-fits-all approach
- Broad welcome for a matched funding scheme, but concern that it is only £80m. There is much support that the money should be deployed strategically to bring about certain outcomes such as targeting to benefit organisations outside London
- Support of the commitment to recognise and honour donors, including non-doms
- The welcome of a commitment to promote and increase planned giving, including legacies (See article: Legacy giving: Golden goose or lame duck? – page 33).
- The importance of focusing on individual support rather than corporate engagement, significant though that is, it will continue to be for a minority of the income for a minority of institutions
- The need to take a long view, particularly for endowments, which it is generally agreed will not be appropriate for many organisations
- The urgent need to build skill and capacity across the sector to implement these ideas; investment in this might be supported in a revolving loan fund
- The need to harness technology to engage with existing and new audiences and to innovate ways to generate revenue and donations (See article: Crowd-funding: a remote opportunity for the Arts – page 36).

Many also point out what Lord Janvrin recently described as 'the elephant in the room', namely: the 'conspicuous absence' from the Action Plan, or indeed the recent government Giving Green Paper ◆ of any mention of the tax mechanisms and incentives that have been recommended by so many over the years, and underpin US philanthropy. More than one person quotes Lord Myners' response to the strategy made at the event on 8th December: "Fine words butter no parsnips". These mechanisms are essentially the responsibility of government, and include the introduction of

- lifetime legacies – charitable remainder trusts
- the extension of tax relief to gifts of works of art
- the maintenance and simplification of the Gift Aid system, without the introduction of a composite rate

In addition there are calls for the simplification of the bureaucracy surrounding some philanthropic mechanisms, such as gifts of shares, and for the liberalisation and simplification of the benefits rules applying to donors.

We believe that these calls should be taken seriously. In the following responses we have a significant contribution to the debate, from leading professionals and practitioners around the country, from individual and institutional donors, from advisers to the wealthy and experts in audience development, from major national institutions and small regional organisations.

There is great willingness and enthusiasm to build on the DCMS initiative. As Simon Weil, chair of the European Association for Philanthropy and Giving, a major donor to the Arts, a trustee of several arts organisations and a

> *"Let us build on the strengths that we have, invest in creating a culture of giving and asking."*

leading charity lawyer says, "*we need more tools…notably tax incentives relevant to the 21st century*".

With these tools I believe that collectively we could indeed transform arts philanthropy in the UK, and together sustain, as the minister says, "*a more vibrant and resilient cultural sector*".

In conclusion, I draw readers' attention to the contribution from Russell Willis Taylor (page 26), who has been uniquely placed to observe the scene on both sides of the Atlantic for over 25 years.

Too frequently in comments about philanthropy (in higher education as well as the Arts) there is a yearning for "American style philanthropy".

Also too often there is a wish for the ends but not the means. Whether in the field of the creation of major endowments (underpinned in the US by lifetime legacy type models) or gifts of works of art, the involvement of board members who will give and ask, and grateful and public recognition, we have some way to go in comparison.

However Russell also points out the very real weaknesses of the US arts funding model, and the strengths of the UK's mixed funding approach. Let us build on the strengths that we have, invest in creating a culture of giving and asking that is underpinned by intelligent tax provisions and incentives, simplify the expensive and off-putting bureaucracy currently associated with arts philanthropy and together create the framework for an arts funding environment that is celebrated by UK citizens and looked at as a model across the world.

We hope you enjoy this edition of Philanthropy UK Magazine and what it might add to the national ambition to boost philanthropy. We welcome your feedback which can be sent to: editor@philanthropyuk.org.

Best wishes,

Theresa

Theresa Lloyd
guest editor

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Cheryl Chapman

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

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RSVP

An invited response: Key players contribute their views on the DCMS Action Plan

On 8th December, at an event organised by the European Association for Philanthropy and Giving, together with the Cultural Leadership programme, the culture secretary Jeremy Hunt announced a 10-point Action Plan to boost philanthropy in the Arts. Those at the well-attended meeting also heard about two new reports on **Endowment in the Arts**, from Neil Macgregor, director of the British Museum, and another from Alan Davey, chief executive of Arts Council England, who is also one of our contributors.

We reported on the announcement at length in our December news bulletin ◆.

The Action Plan's key proposals are:

- More visible public recognition for philanthropy, thanking donors, demonstrating the value of philanthropy and encouraging others to give. This could include greater recognition through the honours system
- The launch of an £80m matched fund to encourage the creation of endowments and a new generation of philanthropists
- A review of philanthropy that will report back in April 2011
- The development of fundraising skills and capacity across the culture sector – to increase and share skills and capacity, promote best practice, professionalise fundraising and develop a culture of 'asking' as well as 'giving'
- Promoting and increasing planned giving, including legacy giving – with an ambition for the UK to become the first country in the world in which it becomes the norm to leave 10% or more of one's legacy to charity
- Harnessing digital technology to boost philanthropy, building on the innovative work already done by many bodies.
- Increasing giving from international donors
- Encouraging more investment by the business sector – which already invests £150m a year in the cultural sector
- Strengthening links between culture and other sectors which are supported through philanthropy, such as charities, community groups or social enterprises.

Following the announcement, we asked a number of key players in the sector to respond to the ideas set out in the Plan, and in particular to address these questions:

- Do you think the 10 points of the action plan will have a real effect in boosting philanthropy – it aims to 'remove barriers, create incentives and highlight and share what works'
- Will the £80m matched fund, to be disbursed in a series of grants over the next five years, stimulate and encourage others to support the Arts? Is it a big enough pot to make a difference or is it a gesture?

- Of the action points which do you feel are the most crucial in stimulating funding? Which are the most urgent and how soon should they happen?
- What else could be done that wasn't addressed in the Action Plan?
- Can and should philanthropy become a bigger part of the mixed funding economy?
- What about the role of endowments?

Here follows those responses, presented in alphabetical order by author. They reveal strong consensus in some areas and some interesting divides; they offer piercing insights into what might and what might not work, as well as several novel ideas for promoting philanthropy in the Arts.

Dawn Austwick OBE

Chief executive of the Esmée Fairbairn Foundation

The10-point plan looks like a good set of chapter headings for further work. It's also good to see much of it focussed on giving rather than asking: there was too much discussion at the launch event of the so-called inadequacies of arts fundraising when what we really need to do is take a step back and dissect both where there are pockets of more money to be donated and what channels are available for drawing money in.

In this context it will be interesting to see how plans for the matched fund develop. Whilst £80m sounds like a substantial amount, spread across four or five years, it will soon start to seem much less. One option would be to focus the scheme on smaller level, regional giving. There is already a good model out there: the Grassroots Grants Endowment Match Challenge run by the Community Foundation Network. The issue of whether more money (proportionately) can be teased out for cultural activity outside London is a real live one that this strategy can help to address. The success of some of the Community Foundations, and economic indicators, suggest that there is wealth out there. This issue is how charities, and the Arts in particular, access it.

There is also the intriguing issue of whether it is better for the Arts to go it alone on philanthropy or to join in more with the wider charitable sector. It is curious that the cultural sector has its own strategy whilst the Cabinet Office launches a consultation document around funding charitable activity per se. How do these two initiatives join up? And if they don't, does it matter?

The (independent) Philanthropy Review, of which I am a member, has deliberately taken the widest perspective and will respond to the Cabinet Office Green Paper as well as taking a good look at the DCMS proposals. One area we have already started to explore privately is how

"What we really need to do is take a step back and dissect both where there are pockets of more money to be donated and what channels are available for drawing money in."

important cultural and behavioural change will be to grow philanthropy. This seems to be an area in which the current arts strategy needs development. No doubt the 'nudge unit' at number 10 will be able to throw some light on this.

Endowments are perhaps more of a currency in the Arts world than for charities generally, particularly given the US model. The Davey and MacGregor reports on the potential of endowments (link to reports) seem measured, and rightly not overly-ambitious at this stage in the game. One of the ironies that Alan Davey neatly exposes is the need to be stable and sustainable to really attract, and indeed benefit from, an endowment (which in turn can help you to be stable and sustainable!).

So where might there be some quick wins in all this? One no-brainer for me is that it will be a quick loss for the sector if it doesn't harness digital technology to increase philanthropy. This is such an area of transformation in how we all communicate – and one that cultural organisations can excel at – that it is an opportunity crying out for the Arts to take advantage of.

It is interesting that the strategy picks out international donors as an area for growth. Many of the most generous philanthropists in this country are those whose families are relatively recent arrivals, or who come from particular cultural groups such as the Jewish community. Yet overall the disparity between the proportional generosity of those with the least income compared with those with the most is marked, as the Secretary of State pointed out in his speech. Is there therefore a job to be done closer to home to find ways of encouraging greater generosity in the 'domestic' market?

In conclusion: is there an opportunity to grow the philanthropic part of the funding cake? Undoubtedly. Can it be done in short order? No. Will this strategy help? It could do, but as ever the devil will be in the detail and the delivery. Given that growing the philanthropy cake is clearly a key part of the present adminstration's agenda, there remains the difficult question of what role government can effectively play in achieving that objective. Too much engagement could put philanthropists off, too little might just play to the inertia in the system.

Dawn Austwick OBE is chief executive of the Esmée Fairbairn Foundation. Formerly deputy director of the British Museum, project director of Tate Modern, and a principal consultant at KPMG. Austwick has an MBA from the London Business School and an honorary doctorate from London Metropolitan University. She is a trustee of Historic Royal Palaces, chair of Foundations Forum, and a companion of the Chartered Institute of Management.

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"We need to evolve a more systemic view of how we fund and finance creative practice."

Clare Cooper
Co-founder and co-director
Mission Models Money (MMM)

Will the strategy have a 'real effect' in boosting philanthropy? If that means, say, a 30% increase in philanthropic giving outside of the big national institutions during the life time of this parliament and in the context of the current global financial crisis, I'd say "no".

Considering where we are at this point and given the challenges the professional arts and cultural sector is facing, I'd rather see government and its agencies focus on a long-term national capitalisation strategy for the sector (of which endowments are only part) as proposed by MMM's newly-published Capital Matters report.

We need to evolve a more systemic view of how we fund and finance creative practice. The coalition government has chosen to focus on philanthropy (and, it seems, elite philanthropy at that), which is only one part of the income spectrum that professional arts and cultural organisations could get better at tapping into.

We need the same level of attention to and incentivising of new ideas and new behaviours (including from donors, funders and investors) across the whole of the income spectrum from philanthropic, grant funding, alternative financial instruments such as revenue sharing arrangements (quasi-equity), underwriting or loans which MMM has been looking into for the last five years and which is currently the subject of our Capital Matters research, the structured market and the open market.

They are all connected, the energies around each part of that spectrum feed off and feed into each other and mindsets and skillsets need help evolving across the board.

Clare Cooper is co-founder and co-director of the Mission Models Money (MMM) programme.

Her career in arts management began with the British Council in 1981. From 1991 to 2001 she specialised in partnership development and fundraising then joining Arts&Business as Director of Development, then becoming their first director of Policy & Communications. There, in partnership with Roanne Dods of the Jerwood Charitable Foundation, she initiated the MMM programme, leaving in 2005 to focus full-time on its independent development.

Cooper has served as a trustee on the boards of a number of arts organisations and higher education institutions over the last 15 years but is now focusing her volunteering around the role of cultural and creative practice in building awareness of and responses to resource scarcity and climate change.

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Alan Davey
Chief executive Arts Council England

This special edition of Philanthropy UK is extremely timely. It demonstrates the range of voices with experience on philanthropy that already exist within the Arts, and as such can only help move forward the agenda.

The Arts in England are often portrayed as a single cause, making it all too easy to lose sight of the complexity and sheer range of arts organisations working across the country. These organisations must draw on what makes them unique to raise funds effectively – the nature of the art they produce, their size, location, and distinct operating models all have a significant impact on their ability to attract private giving.

Such a complex arts ecology means that any kind of 'one-size-fits-all' policy to increase private giving would be destined to fail and a far more sophisticated response is needed to raise the contribution of philanthropy to the Arts.

The match funding scheme announced by the DCMS and the Arts Council in December is a good starting point, but it is only that. It is important we use these funds in an intelligent and targeted fashion, supporting organisations in ways that will be most beneficial to them as they look to increase and diversify their income.

Fundraising is a time-consuming process and requires resources that small organisations, run on very tight margins, struggle to find. That's why in some cases the most appropriate use of funds will be to help find extra capacity, either through dedicated fundraising staff or ways to help existing staff spend more time on expanding their income base. The Arts Council is currently discussing with organisations of all sizes how best we can support them in this, and later this year we will be announcing proposals to increase fundraising expertise. These measures may include asking some organisations to help develop the skills of others.

But the better equipping of arts organisations to ask for donations is only half the challenge. To see a real rise in philanthropic giving we need to make a clearer case for the Arts as a cause worth giving to. Currently only 2% of philanthropists donate to the Arts and, while tax reform could play a significant role in increasing this figure, we need to look at why people choose to give to the Arts and how we can better articulate the value of this investment to others.

There are at least two motivations which prompt donors to give to the Arts. Some give because they believe in the instrumental benefits of the Arts in delivering social

change, improving health and enriching education; others give simply because they enjoy the Arts or have felt the transformative emotional impact they can bring. But there remains a perception in some quarters that the Arts are not a 'worthy' cause or that they are inherently rich and not in need of support.

While it is not the Arts Council's role to fundraise on behalf of the Arts sector, we believe we have an important part to play in advocating the value of the work the Arts do. This will involve building links with potential donors and funders to demonstrate and broaden the range of projects that receive private support.

We can also help bring skills from the wider third sector to help the Arts. Despite many arts organisations being charities, too often the Arts see themselves or are seen as entirely separate to other charitable causes. While many arts organisations articulate their value very successfully, the sector as a whole can learn a great deal from the experiences of the recognised charity sector.

Philanthropy is not a panacea – it will not, and should not, replace public investment – in fact research shows that arts philanthropists believe the state should take greater responsibility for funding the Arts. But private funds have a real role to play in upholding England's world class arts ecology, and the Arts Council will continue to work alongside the entire arts sector in making sure all organisations are in the best possible position to benefit from the generosity of philanthropists.

Alan Davey was appointed chief executive of the Arts Council in November 2007. Davey was director for culture at the Department for Culture, Media and Sport from 2003 until December 2006, having previously worked in the department as head of the Arts Division since 2001. In an earlier stint at the then Department of National Heritage he was responsible for designing the National Lottery. Davey has also worked at the Department of Health, where he led the Modernising Division and held the post of secretary to the Royal Commission on Long Term Care. He has been a visiting Fulbright/Helen Hamlyn Scholar at the University of Maryland and has degrees from the universities of Birmingham, Oxford and London. Davey is well known for his passionate interest in, and advocacy of, the Arts, as well as for his unrivalled knowledge of public policy in this area.

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"To see a real rise in philanthropic giving we need to make a clearer case for the Arts as a cause worth giving to."

"Capacity building must include boards as well as staff and must be strategic."

David Dixon
Founder, David Dixon Associates

Reacting to Jeremy Hunt's speech, Lord Myners asserted that "fine words butter no parsnips." Perhaps a better culinary aphorism would be that "the proof of the pudding is in the eating." The success of these (and any other) action points depends on the detail and a good pudding recipe can be rendered inedible by an inexpert cook!

Arts Council England (ACE) has announced that it will cut regular funding to Arts&Business and will take direct responsibility for promoting arts fundraising and I am greatly encouraged that ACE is consulting widely. Also that they refer approvingly to Theresa Lloyd's book *Cultural Giving* and Professor Thomas's report on fundraising for universities; in particular, they quote the Thomas report's best-known conclusion: US fundraising works not because they have a culture of *giving* but a culture of *asking*.

Moreover, there seems to be a clear understanding that this culture of fundraising needs to permeate an organisation from top to bottom. This is an excellent starting position and the end of the fixed relationship with Arts&Business frees ACE to work with a variety of partners and test a range of initiatives. I am optimistic.

Capacity building must include boards as well as staff and must be strategic. The concept of capacity must include business planning, investment management and leadership as well as professional training. Perhaps the matched funding money outlined by DCMS and ACE could be contingent on recipients putting in place changes to their business planning and processes, especially around fundraising?

Training is essential but must be part of a long-term professional development (not just occasional workshops) and can only be as good as those delivering it.

When considering from where funding will come, fundraising from audiences is a must but the assumption that this means a 'friends' scheme is wrong-headed – there are many simpler and more effective alternatives. Think 'donors' not 'friends'!

Crowd-sourcing is a buzz word, but it raises very little money and is not appropriate for established arts organisations. While innovation in fundraising is essential, few UK arts organisations even do the basics well. Sad to say, it is the boring stuff which makes the money (I may christen this 'Dixon's Law'!). Legacies, perhaps the most boring fundraising of all, are potentially the golden goose for the Arts and this is where ACE should lay a lot of emphasis (see page 33 – Legacy giving: Golden goose or lame duck?).

"Crowd-sourcing is a buzz word, but it raises very little money and is not appropriate for established arts organisations."

The £80m match-funding scheme suggested is good, although the pot is not large and steps must be taken to ensure it isn't scooped by the large London organisations.

The new strategy suggests encouraging the creation of endowment funds: I believe that talk of endowments is very dangerous; only a handful of the largest organisations should consider endowment fundraising, especially in these difficult funding times.

UK charities are very professional in their fundraising (in some cases better than in the USA) and it can only be good for the Arts to recognise they are part of the UK charity fundraising sector and not a special case – fundraising is fundraising!

Arts organisations are very short of capital and are facing serious cuts in revenue funding. This will make it very difficult to invest more in fundraising. Personally I would like to see ACE establish a revolving loan fund (probably with partners) for investment in income-generating initiatives in the Arts. Perhaps that could be action point number 11?

David Dixon was a senior fundraising manager at Oxfam before joining the Oxford Playhouse Theatre as Development Director in 1991. At the Playhouse he pioneered fundraising techniques which were new to the cultural sector and in 1993 he set up David Dixon Associates to bring these techniques to the wider cultural and heritage sector in the UK, and later in other European countries.

In 1997 Dixon established The Phone Room (www.phoneroom.co.uk), a specialist telephone fundraising agency of which he remains the chairman and in 2010 launched Voice (www.nfpvoice.com) which specialises in social media.

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Sir Vernon Ellis
Chairman, ENO

Is funding needed at all? Yes. It is the characteristic of a civilised society that it supports a vibrant, engaging, stimulating arts and cultural sector. A good proportion of costs should be borne directly by consumers of the Arts. (The logic as to why museums have to have free admission whilst performing arts have to charge escapes me.) But it is very unlikely that we can have sustainable high quality performing institutions without additional support of some kind, public or private.

I do believe that some of that support should be public – the Arts are a fundamental public good, analogous to libraries, parks and swimming baths. But I also believe in the 'mixed model' of arts funding. I think that the US model can produce overly conservative approaches and is very vulnerable in times of economic stress, particularly re endowment income. The traditional European model can lead to disdain for the audience.

There is nothing absolute in the current ratios however and we have to look to both increasing ticket income and private development income. There is a limit though as to

how much we can increase ticket prices without reducing audience numbers. At ENO 30% of our audience is under 44 and we have 500 tickets for each performance at £26 or less. Higher prices would restrict access.

So, we have to look to increase the ratio of private support. There is in my view anyway a general case for saying we should up the levels of charitable giving in the UK, particularly from the more wealthy. In the US there is a different level of commitment to the community and this, not tax, is the primary difference, though there are one or two important devices from the US which would be useful here.

Whilst I believe there is a very strong case for keeping the level of government support to the Arts at current levels, we have to recognise the real and severe short term cuts. The medium term outlook is at best uncertain so we have to increase the level of private support.

Government can do a number of things to help this. Firstly, it can encourage. I applaud Jeremy Hunt's efforts to do this. Secondly, there are some specific steps it can take regarding tax and financial support, etc. I suspect that there is still a lot of infighting with Treasury to go yet – we are still short of a lot of detail on many aspects of this. As we are with the matching funds for endowments – a good idea in principle but the amounts on offer look small in relation to the high expectations. One issue about which I remain concerned is the composite tax rate idea for Gift Aid. This would have a very negative effect for many cultural organisations.

The Arts themselves will also have to keep strengthening the case for support. This would include individual benefits (and by the way, less bureaucracy over the minutiae would help). But more importantly, we need to strengthen both the general case for the vital role of the Arts but also find stronger ways of proselytising the joy and excitement an individual supporter can experience through the support of particular artists, institutions or events. This must be at the core of private support.

We must look more aggressively too at new digital techniques to attract support from a much wider range of audience.

The Action Plan is hardly that yet. But it does set a tone. One example is an intent to reduce some of the bureaucracy around giving. I give through a private foundation, a convenient way of pooling gifts of shares. But if I had known the level of bureaucracy associated with it and the degree of sceptism I receive from tax inspectors each year, I doubt I would have set it up.

And the Plan does set a positive direction and ignite a wider debate. I do detect a newly galvanised fundraising effort building on this. But a lot of detail now needs to be worked on and I suspect a lot of battles within government need to be won, before we can conclude that we have taken a substantive step forward.

Sir Vernon Ellis is chairman of ENO, chair of the British Council and a number of private companies, including Martin Randall Travel. He is involved in many musical organisations, including the Florestan Trio, the Leopold Trio and the Kathleen Ferrier Awards. Until recently he was chairman of the Classical Opera Company, where he committed a substantial gift over several years to encourage the company to become self-sufficient with a wider body of supporters, and a trustee of the Royal College of Music.

In addition, Ellis supports many arts companies, artists and charities through his Foundation. He has given more than £7m to around 70 arts organisations, nearly all musical. Ellis was the lead private donor to ENO's Restoration of the London Coliseum and his £5m gift enabled the £23m public funding to be triggered and was a stimulus for the remaining private funding. The Foundation also presents around 80 concerts a year at his London home, providing many leading artists a run-through ahead of major public engagements but also development and showcasing opportunities for young artists as well as fundraising opportunities for musical organisations and charities.

In this year's New Year's Honours, he received a knighthood for his services to music.

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"But more importantly, we need to strengthen both the general case for the vital role of the Arts but also find stronger ways of proselytising the joy and excitement an individual supporter can experience through the support of particular artists, institutions or events."

David Hall
Chief executive, Foyle Foundation

The 10 action points seem to me to be sensible and practical in general. Some points such as promoting and increasing planned giving including legacies plus increasing giving from international donors are welcome longer term issues and are likely not to generate much in the short term.

Philanthropy certainly can and I believe should become a bigger part of the mixed funding economy. It has done so over the last 10 years and as individual giving to the Arts is still in its infancy as compared to other charity sectors there is still some way to go in order to fulfill its maximum potential. However there needs to be a dose of realism, better fundraising needs investment and takes time to develop – there are few quick fixes and also it is unlikely that over the next four years increase in giving could make up for 15% or more funding cuts from the public purse.

Developing fundraising skills across the Arts sector, in particular, individual giving seems to me to be crucial, particularly outside London, and the proposed £80m matched fund could be a useful catalyst for this.

In my experience, matched giving does boost philanthropy so I am sure the £80m scheme will have some effect and could be particularly helpful to smaller organisations. The problem is at present we do not know what the remit or aims of the fund are; these need to be very clear and measurable.

I am sceptical about getting more from the business sector as they also support homelessness, social welfare, education, environment and other good causes not just the Arts. Also their giving is skewed towards London and there is little significant giving in the regions.

The most crucial action points for me are to develop fundraising skills and capacity across the sector and to share best practice – this could have a fairly immediate impact.

Promoting and increasing planned giving is a welcome long-term initiative which widens the funding debate and I am glad this is now being discussed so opening up this issue and another element of the funding mix for the Arts.

It is good to see endowments on that agenda – though this is a very long-term strategy and an aspirational rather than achievable one for many arts organisations at present.

In the short-term there are more pressing immediate funding needs. For those who are more advanced in funding from individual giving then they can widen their strategy to start subtle targeting for legacies as part of their long-term funding and legacies, or one off special windfalls could boost existing or kick start endowments or smaller pots of restricted funding.

Harnessing increased use of digital technology is also important and will become more so as each year passes, also important is reaching and communicating with younger people/supporters.

Perhaps Arts Council England should take the lead in funding courses and seminars (run by others not them) to boost fundraising skills and sharing of best practice. There is the need for tax incentives to be widened to encourage more lifetime, not just legacy giving and donations of works of art.

"It is good to see endowments on that agenda – though this is a very long-term strategy and an aspirational rather than achievable one for many arts organisations at present."

Prior to becoming The Foyle Foundation's founding chief executive, David Hall was a lead consultant at AEA Management Consultants. He specialised in strategic development and business planning within the Arts and heritage sectors. He also appraised major capital projects for the Arts Council of England, Scottish Arts Council and Heritage Lottery Fund. He is a member of the Development Council of the National Theatre and its Planning & Strategy Group, an adviser to Money Models Mission and is a member of the Engagement, Education & Access Committee of the Royal Opera House, Covent Garden.

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Sir Nicholas Kenyon
Managing director, Barbican Centre

"No-one wants to give money against an impending deficit. We all want to be associated with success and we want to make a difference."

The Action Plan is such a great idea: it's just a pity we didn't action it a bit sooner.

If a case for philanthropy – supported by new flexibility in tax arrangements, enabling endowments, and making the most of the committed enthusiasm of our non-doms as well as residents – had been pitched by government in the good years for the Arts, when funding was rising and activity thriving, everyone would have got the message that we were building on success, a success that has made the Arts in the UK the envy of the world.

That vitality of the Arts is still there, on a huge scale: audiences flock to what we offer across music, theatre, cinema and the visual Arts; halls are sold out and response to great art is passionate, as we have found at the Barbican with events from the stunning Black Watch, the innovative exhibition of live zebra finches, and the power of the LSO under Gergiev and Colin Davis.

Jeremy Hunt will say, as he did, that philanthropy is not there to replace public funding. But the fact is that now the idea has to be pitched into the most challenging period for the Arts, where public spending cuts will impact drastically not only on the Arts Council as a source of funding, but also on local authorities, arts and humanities teaching, and all the other elements which make up the delicate balance that enables the infrastructure of the nation's arts to hang together.

No-one wants to give money to fill a black hole. No-one wants to give money against an impending deficit. We all want to be associated with success and we want to make a difference, enabling new activity to happen and new projects to thrive.

At the Barbican we have many such plans as we develop our vision for Creative Learning and our partnership links with East London, creating the model of tomorrow's international arts and learning centre. But we are aware that we are privileged to be in London, able to draw on the capital's resources, and really should be able to flourish: elsewhere there are major challenges.

There is much food for thought in both the excellent reports by Alan Davey and Neil MacGregor, and both make clear that endowments and philanthropy, both for the performing or the visual arts, cannot be the only answer. They must be underpinned by a secure mixed model dependent on public funding which is endorsed and supported both by government and by people around the country.

In this new artistic world we argue for collaboration and partnership, drawing organisations together into alliances which we embrace as a new model of the way forward, sharing resources and artistic aims. It is worth being aware that the single most sensitive area on which to collaborate is fundraising and development, since there are real questions of ownership, long-term loyalties, friendships and opportunities to be addressed.

A renewed emphasis on audiences and what they need, what they respond to, may well have profound consequences for institutions like ours, and for what we provide. A new deal for the Arts that puts our audiences first, and institutions second, could lead to a vigorously radical period for the Arts – with the Government's active support of the philanthropy agenda driving a sector that has always been highly creative in responding to change.

Sir Nicholas Kenyon became managing director of the Barbican Centre in October 2007. He was Director of the BBC Proms from 1996 to 2007.

As a music critic he wrote for The New Yorker, The Times and Observer, and was editor of Early Music 1983-92. He was appointed Controller of BBC Radio 3 in 1992. He has continued to write and lecture on the Arts, publishing books on Mozart, Simon Rattle, the BBC Symphony Orchestra and early music. He is a board member of the English National Opera and Sage Gateshead, a trustee of the Dartington Hall Trust and a member of Arts Council England. He also sits on the Cultural Olympiad Board. He was knighted in the 2008 New Year Honours.

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Theresa Lloyd
Founder, Theresa Lloyd Associates

Let us remind ourselves of why people support the Arts.

They do so because of a passion for the art form, because they can see how their contribution will help the institution to flourish, to produce excellent and challenging work, to enable new projects and to reach and inspire new audiences. Their support is reinforced through meeting the performers, artists, conservators, writers, wigmakers, paint analysts… all the creative and expert people that together ensure presentations, exhibitions, festivals, museums and archives of the highest quality. They enjoy sharing the experience and learning more about the art-form, and doing so in the company of others who share their passions. This is exemplified in two quotes from major donors to the Arts (and other causes) whom I interviewed for *Why Rich People Give.*

'I enjoy getting to know other givers. This becomes an important part of life. It becomes a community. I like people who like musicians…it's a congenial group.'

'The sense of making a real difference…satisfaction, getting to know some extraordinary people.who are now friends. Fun with a capital F. You can't buy it and it's unobtainable elsewhere.'

What this means is that (unlike with some other causes) hardly anyone will be inspired to give to the Arts without some kind of personal experience or an association with the art form. This means that knowing and being able to reach your audiences (in the widest sense, including online) is crucial. But having reached them how are they drawn into the organisation?

Thinking about the very necessary need to invest in competence and building capacity to enhance philanthropic engagement, we see several strands:

- Working with organisations to change the **institutional culture** – people want to meet those who deliver the mission, not (or not only) the development staff, however charming and knowledgeable they might be
- Ensuring that **trustees and other senior volunteer leadership** understand the importance of their involvement, to introduce prospects, as hosts at events, to thank people, to give according to their means and so on, and crucially that it needs investment – too many Boards will the ends but not the means
- Training professional **development staff** – in processes, research, cultivation, relationship management and so on.

In other words, development is the responsibility of all, from chair to caretaker.

I make the point that many donors who support the Arts also support other causes.

We are aware that there are a number of concurrent initiatives, with overlapping strands in the ideas put forward by DCMS, in the Endowment paper by Neil MacGregor ◆, Director of the British Museum and another by Alan Davey ◆, of Arts Council England, in the recent Funding Commission report from NCVO ◆, and in the Giving Green Paper ◆ published on 29th December.

A number of issues related to the provision of philanthropy advice are being looked at by a large team of people under the aegis of Dame Steve Shirley, the Ambassador for Philanthropy, and the independent

Philanthropy Review has also been set up, to report in the spring, with members drawn from across all sectors, and including two of our contributors.

Too often the culture sector positions itself as, somehow different from the rest of the charitable sector, but I think there are at least 3 reasons why collaboration with the OCS and others is essential:

- A central proposition of the Arts is that it is not an optional extra; it is an essential element in our lives, and the institutions and individuals involved in delivering great art are as important to the Big Society as those working in education, sport, health, with the disadvantaged and excluded. It is part of the portfolio of activities that make life in the UK what it is.
- The elements relating to philanthropic engagement I set out above are common to all sectors. There may be differences of emphasis depending on the cause, the locality, the size and the demographics of likely supporters, but the principles are the same.
- If every government Department with any links to private philanthropy (are there any with none??) contributed a relatively small sum to a carefully managed central fund, a transforming difference could be made to the culture of asking and donor engagement, and hence the culture of philanthropy, in this country.

A collaborative approach would send a very powerful message – and be very cost effective!

Following a 15-year career in international banking, in 1986 Theresa Lloyd established the corporate fundraising division of Save the Children, and in 1990 she became the UK director of ActionAid.

After taking an art history diploma with distinction, in 1995 Lloyd established her consultancy; she is now recognised as a leading adviser on strategic planning, governance and fundraising to non-profit organisations. She also advises families and companies on the development of strategies for their philanthropy. She was the founder director of Philanthropy UK (2001 – 4) and now sits on the advisory board.

Her books include A Guide to Giving, now in its third edition (2008), sponsored by Coutts, [available on the Philanthropy UK website here]. Why Rich People Give (2004) is the first major British study into the wealthy and their philanthropy. Cultural Giving (2006) is the first guide in the UK to focus on individual giving for the Arts and heritage.

Lloyd has served on boards in the Arts, health and international development sectors. She is currently a trustee of The European Association for Philanthropy and Giving. She is also a council member of Bath University, a member of the Business Advisory Group of Comic Relief and of the Development Board of the Orchestra of the Age of Enlightenment. She is also a trustee of two family charitable trusts.

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"What this means is that (unlike with some other causes) hardly anyone will be inspired to give to the Arts without some kind of personal experience or an association with the art form."

Michael McGregor
Director, Wordsworth Trust

Only time will tell if the Action Plan will bear fruit but in a time of financial austerity there is real need to do something and this is a serious commitment at government level to address the issue. As with many such initiatives, its success will depend in part on factors outwith its control, but it does offer a range of possibilities.

The £80m matched fund certainly has the potential to encourage more people to support the Arts, but, as always, the devil is in the detail. How easy will it be to unlock match funding?

Accountability is obviously important, but it is also important to avoid an overly bureaucratic scheme that ends up discouraging donors and creating extra work for cultural organisations.

A headline sum of £80m sounds impressive, but spread it over five years and distribute it across the cultural sector nationwide and it starts to look a lot smaller. Also, one of the stated aims of the fund is to help those wishing to develop endowments. This will presumably involve handing out fairly substantial sums, which will quickly eat into the £80m.

Having said that, in terms of stimulating funding, the match funding scheme is crucial, along with promoting an increase in planned giving and supporting the long-term development of endowments.

It is encouraging that endowments are firmly on the agenda, with two substantial reports having recently been produced. As the Arts Council report rightly observes, endowments alone are not a solution, and need to be thought about as part of a longer term strategy. The challenge with endowments is that they involve substantial sums of money, particularly in a period of low interest rates, in order to get any significant return. And in our experience, it is difficult for smaller arts organisations to convince donors that they require a substantial gift.

"A headline sum of £80m sounds impressive, but spread it over five years and distribute it across the cultural sector nationwide and it starts to look a lot smaller."

Probably the best opportunity for many organisations to build an endowment is through legacies, and it is encouraging that promoting and increasing planned giving is part of the government's Action Plan.

My experience of fundraising in the cultural sector is that the pool of donors that regularly commit large sums to cultural causes is very small. A major challenge will be encouraging serious philanthropy in a new generation of high-net-worth individuals.

The idea of more visible public recognition for philanthropy is interesting, and there are already schemes such as the Prince of Wales Medal for Arts Philanthropy that are endeavouring to do this. However, as the book 'Why Rich People Give' identifies, self-actualisation is only one of a number influences on giving by high-net-worth individuals.

With regard to developing fundraising skills and capacity across the cultural sector, care should be taken not to duplicate work carried out by existing bodies such as the Institute of Fundraising, of which a number of arts fundraisers are members. Indeed, an organisation like the IoF can help achieve another of the objectives in the Action Plan - strengthening links between culture and other sectors.

With regard to encouraging more investment by the business sector, I am not sure what new initiatives can be created that have not already been tried and tested by Arts&Business over the past thirty years, but will await developments.

The reality for the majority of organisations is that individual philanthropy means relatively modest donations from a pool of committed supporters. Making it as easy and as attractive as possible for these donors to give tax-effectively is one of the most important things that the Action Plan could achieve.

Michael McGregor was appointed The Robert Woof director of the Wordsworth Trust in August 2008. Prior to this he held a number of posts at the Trust, including director of Development. Outside the Trust, he has worked in a fundraising capacity for a variety of arts organisations, including National Museums Liverpool and Arts&Business. He is a member of the Institute of Fundraising.

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"There is little point in capacity building fundraising skills within the Arts unless the pool of potential funders is incentivised to give."

John Nicholls
Managing partner, Arts Quarter LLP

The devil will lie in the detailed implementation of this Action Plan. The key concern here is that those organisations which are currently well-resourced may be likely to be the greatest beneficiaries which one assumes is not the purpose of this action plan. It is vital that a broader range of organisations irrespective of art-form, scale and location are able to benefit from any boost to philanthropy. Indeed it could be that those who are most reliant on subsidy (i.e. non-London based organisations with annual turnovers of under £1m) are made priority beneficiaries of the plan.

Whether any plan will have an impact at this time remains unclear. In AQ's last *Economic Impacts on the Arts Survey* published in October 2010 ◆, the majority of respondents forecast that individual and corporate giving may be likely to decline again post April 2011 in response to a levelling off of improving confidence in the economy post Comprehensive Spending Review.

Key to the success of any boost to philanthropy will be root and branch investment and incentivisation to allow giving and asking capacities to grow in equal proportions. There is little point in capacity building fundraising skills within the Arts unless the pool of potential funders is incentivised to give. Similarly potential donors will only give sustainably if arts organisations are able to fulfil the expectations of donors professionally.

The proposed £80m matched fund equates to around £16m per year – again the impact will depend on the criteria and proportions of the match requirements. Historically matched funding programmes have had a degree of impact on incentivising notably companies to give to arts causes (for example the Pairing Scheme) but again, it was mostly larger-scale organisations who benefitted under this programme where there were the resources to cultivate and service corporate relationships.

One key omission from the plan is mention of looking at wider commercial revenue generation issues outside of philanthropy. For some arts organisations, philanthropy may not suit their business models or indeed their creative outputs may not be deemed attractive to private sector supporters. In this respect these organisations will need guidance in how to capture effectively their intellectual property and development of skills as to how they then may be able to go on to exploit their intellectual equity.

I believe philanthropy can and should play a greater role in the mixed funding economy. A&B have talked for many years of the reasonably even three-way revenue split for arts organisations (admissions/ subsidy/ fundraising) but still a significant proportion of arts organisations only have part of this three-way revenue portfolio in place in any sustainable way.

Whatever practical activities are put in place it is important that they reflect the visions and values of arts organisations. A 'one-model-fits-all' approach simply will not work. A modular capacity building programme for organisations which allows them to select the elements that best fit their business models will have a greater impact on organisations. Moreover this has to be seen as a long-term programme, nothing is likely to radically change within the lifetime of this or indeed the next Parliament.

Donors will only feel more comfortable giving once economic confidence has truly returned and so the immediate term has to be more about putting in place effective foundations for what will be a significant shift in the UK philanthropic culture while at the same time, developing intellectual capacities within the sector itself.

John Nicholls founded Arts Quarter LLP in 2008 with over 20 years' experience of working within the Arts, wider charitable communities and business world in the UK and overseas.

Nicholls has worked as a senior business development, communications and brand professional for a number of arts organisations in the UK and overseas including Shakespeare's Globe, the Young Vic, English National Ballet, San Francisco Symphony and The Washington Ballet.

Nicholls is a trustee of the National AIDS Trust and South East Dance. In the past, he has served as a trustee of Headlong Theatre and was chair of Pacitti Company. He also acts as ad-hoc advisor to a range of other arts organisations

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Lucy Stout
Director of development, Artes Mundi

Jeremy Hunt's 10 point plan is well intentioned rhetoric at this point – the proposals are welcome but not yet sufficiently substantial to excite or galvanise. For example, the ambition to increase planned giving and to make the UK the nation that is most focused on legacy giving will be an empty one without a Treasury deal and tax law changes to stimulate it. Events, award schemes and other 'awareness raising' initiatives, to encourage business to support the Arts, have been going on for three decades now. Bring on the cash incentives and particularly those that have worked in the past such as the Business Sponsorship Incentive Scheme of the 80s.

It is the commitment to practical action that is important now, but must we really have another review to inform the awaited Spring report? Surely we all know what is needed because, since Margaret Thatcher first insisted on it, the plural funding economy for the Arts in the UK has been steadily developed and tested under each and every government that followed hers.

Removing hurdles – particularly those that restrict how arts organisations benefit and offer involvement and thanks to those who help them – and creating irresistible incentives are what government and only government can do, so a focus on that for both individuals and business will best back the current fine words.

"Bring on the cash incentives and particularly those that have worked in the past such as the Business Sponsorship Incentive Scheme of the 80s."

However, the £80m is far too small a sum for the matched fund if it aims to include larger bodies who want to develop endowments and who are, by definition, already the most organised. The 15 or so big players throughout England surely have donors who could be readily incentivised to contribute substantially to endowments if they knew that their gift would be matched. The £80m will be consumed instantly.

If distribution is <u>really</u> on the political agenda, the brave thing might be to keep any matching grant scheme away from the major organisations and, instead, use it to develop and bring up those who are under resourced and currently under developed for philanthropy and business sponsorship. For these organisations, the incentive of matching has the power

"Getting the culture of giving anchored with all of us, must be the main goal."

to make a big difference and Artes Mundi's recent positive experience with the Big Give Garfield Weston Challenge in December is testament to that. Our small administrative team were all highly-motivated by the opportunity to match secured donations, pound for pound. We devised an online campaign to our mailing list and utilised online giving for the first time, learning a great deal and becoming more confident about both. We also raised £23k in less than three hours!

Greater recognition through the honours system is obviously also in the government's gift and, to offer a credit where credit is due, can be a fine thing. But too much attention on this will let the government off with an action "after the event", as it were, and also focuses on the very wealthy who make major gifts rather than on all potential philanthropists at every level. Getting the culture of giving anchored with all of us, must be the main goal.

Lucy Stout is a professional arts fundraiser with over 25 years direct experience, creating sustainable development operations to support artistic growth for a number of major arts organisations. She is currently head of development for Wales' international contemporary arts initiative, Artes Mundi. Prior to this she was project director at ABSA (now Arts&Business) in the 80s and then helped to establish the National Theatre's first Development Department, where she was director for 5 years.

For 13 years she led the fundraising team as director of development for Welsh National Opera. In 2010, Stout was awarded the Hollis Award for an outstanding contribution to the sponsorship industry. She is also chair of Wales' Chamber Orchestra, Sinfonia Cymru.

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Simon Weil
Partner, Bircham Dyson Bell

Overarching all else is my firmly held view that an essential component in any action plan designed to boost philanthropy in the UK has to be a package of additional tax breaks/incentives.

Its conspicuous absence from Jeremy Hunt's announcement inclines me to agree with the reaction of Lord Myners – "*fine words butter no parsnips*". The fact is that Jeremy Hunt drew largely on the admirable examples of the great philanthropists of the eighteenth, nineteenth and early twentieth centuries, none of whom faced a significant burden of direct taxation.

In order to promote planned giving we need more tools to play with, notably tax incentives relevant to the 21st Century eg lifetime legacies, income tax reliefs on gifts of chattels/works of art on the lines already available for gifts of quoted securities and land and an extension of the gifts in lieu regime to lifetime arrangements, as recommended by Sir Nicholas Goodison in his 2004 Report.

There appear to be two points of substance in the strategy: the £80m matched funding scheme, albeit, as Lord Myners suggests, largely re-cycled funding but, hopefully, now more effectively deployed and it could be significant as a pump primer; and the proposed 'year of corporate giving', designed to strengthen recognition for donors.

What was not suggested in the strategy that might also promote philanthropy is a liberalisation of the benefits rules applying to donors, as advocated in Neil MacGregor's Endowments Report.

Endowments are crucial for most arts organisations and I welcome the extent to which the match funding scheme will support organisations wishing to develop endowments. I see lifetime legacies, both charitable remainder trusts and charitable lead trusts, as a major boost here, were they to be introduced. In any event, effective communication of the message to the British public that they are "a good thing" would be extremely beneficial, serving to alter the long held perception that donating to fund an endowment is somehow not the right thing to do.

Lastly, I would advise against any Gift Aid reform that would adversely affect tax breaks for donors.

"I see lifetime legacies, both charitable remainder trusts and charitable lead trusts, as a major boost here, were they to be introduced."

Simon Weil is partner at Bircham Dyson Bell and specialises in charities, tax planning, investment property for charities and the resolution of potentially contentious issues arising out of wills, trusts and co-ownership of property for charities and private clients.

Weil has lectured on charity trusteeship and charities in the context of tax-planning. He is also a member of the Charity Law Association and the Association of Contentious Trust and Probate Practitioners.

He also sits on the advisory board of the European Association for Planning Giving. Weil has helped to pioneer the development of real property investment pooling schemes for charities and advised in the creation of the Absolute Return Trust for Charities, the first common investment fund of hedge funds.

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"Any effort to encourage charitable giving must consider tax incentives. This is a complex area, and one in which different sections of the not-for-profit sector sometimes have different priorities."

Rebecca Williams
Director of development, Tate

We welcome the fresh approach to cultural philanthropy as articulated by the Secretary of State for Culture. The aspiration to strengthen the mixed economy in which the Arts and culture in this country have thrived is one to which all of us would, I am sure, subscribe.

The government has a crucial role in encouraging giving in two principal ways:

- By encouraging individual and institutional giving as a public good and ensuring that those who give are properly acknowledged and their philanthropy publicly celebrated.
- By incentivising giving, through the revenue system and through other schemes which leverage increased giving, be they matched-funding or other initiatives.

The secretary of state's Action Plan includes a number of points which relate to the first of those roles - of all of them, perhaps the most important is the commitment to encourage and give greater public recognition to philanthropy. It is crucial that such recognition is given in ways which celebrate and are relevant to all givers, at whatever level, to whatever cause – a point it is good to see made in the government's Green Paper on Giving.

The establishment of the £80m matched giving scheme, as a mechanism to stimulate and incentivise giving in line with the second of the government's key roles, is to be welcomed. The evidence from other countries, as well as here in the UK from the higher education sector's matched funding scheme and initiatives like the Big Give, is that incentives do make a difference. We all like to feel that our support is leveraging more. We await further details of the new scheme but it is reassuring to hear that it is likely to be structured in such a way that the different circumstances of organisations, and their consequent ability to raise funds, are acknowledged.

However, the element of government-led incentivisation which is critical, and to which the secretary of state's Action Plan did not refer, is that which is effected through the tax system.

Any effort to encourage charitable giving must consider tax incentives. This is a complex area, and one in which different sections of the not-for-profit sector sometimes have different priorities. Within the cultural sector, I believe that the priorities are these: to extend tax relief to gifts of objects along with property and stocks and shares, to maintain and simplify the Gift Aid system, and to create a framework for tax-efficient charitable remainder trusts, or lifetime legacies.

The removal of the fixed cap of £500 on benefits which a charity can give to a donor in acknowledgement of a gift in favour of a 5% cap, would also support the Government's drive to recognise philanthropy.

So the secretary of state's Action Plan is an excellent first step. We look forward to hearing more from the government about how they intend to address this latter element of incentivisation as a critical element in effecting the cultural change in giving to which they are rightly committed.

Rebecca Williams is director of development at Tate and is responsible for the comprehensive revenue and capital fundraising campaign in support of Tate's vision to 2015 and beyond.

Williams has more than fourteen years' fundraising experience in the Arts and education sectors and has previously worked in the fundraising teams at the Almeida Theatre and The Royal College of Art. She was director of development at King's College, London, where she was responsible for the successful completion of the college's first capital campaign.

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Russell Willis Taylor
President and CEO, National Arts Strategies

The culture secretary's recent drive to encourage private philanthropy is a laudable one, and like many good ideas it is a recurring theme rather than a radically new notion. In 1983 I was recruited by the English National Opera with the full support of Margaret Thatcher's government to come to England and establish an "American style fundraising" department for the ENO. I spent five of the most rewarding years of my working life raising money for the ENO, and when I returned to the ENO 10 years later as executive director I continued to think of fundraising as an enjoyable and valuable activity rather than an aspect of the leadership job that many people seem to dread. I liked offering donors the opportunity to be part of an extraordinary company, and found it gratifying to seek support for something as joyful as the Arts. (I have no doubt that this says more about my eccentricities than my abilities as a leader.)

All of the plans recently announced are to be encouraged, but any sense that British cultural institutions have a lot to learn from American fundraising techniques belies what has been happening here in the UK for the past 30 years. In the early 80s we were able to increase the fundraising income for the ENO from £60,000 per year to £2m annually. That was then, and this is now. Any company still open has already made these gains.

Jeremy Hunt has taken pains to say that he doesn't believe that a wholesale export of American ideas in this area is the answer, but I would suggest an even stronger note of caution.

Most of the American fundraising activities that would be culturally appropriate for this environment are already in place, and the strongest motivation for the (now declining) tradition of wealthy individuals' support of the Arts in the United States is not a technique, but a tax law.

Individuals benefit directly and to a greater degree from giving to not-for-profit cultural institutions in the US than they do here, and it is this longstanding (two generations) tax incentive that results in increased giving.

A matching fund of any size is a good idea, but nothing motivates like enlightened self-interest and tax benefits in the US have consistently motivated people to be enlightened.

In any event, I am not confident that the scoreboard would be very much 'advantage America' if a detailed analysis of the total amount of support given in both subsidy and tax concessions in the UK were compared to the sums of private philanthropy and tax foregone in the US – in my experience Britain has funding as "plural" as any to be found.

What doesn't get mentioned quite as often as the benefits of major gifts is the dangerous gravitational pull that an overreliance on major donors can exert on American institutions.

"I am not confident that the scoreboard would be very much 'advantage America' if a detailed analysis of the total amount of support given in both subsidy and tax concessions in the UK were compared to the sums of private philanthropy and tax foregone in the US."

While the United States has a vast pool of genuine philanthropists who give for the good of the institution and its mission, it is also much easier for an individual whose giving determines the viability of the organisation in the short term to make demands that are not in the public interest, and to have those demands met.

Organisations can lose sight of their mission to serve the many as they seek to attract the few. The fundamental belief that cultural institutions are essential to society as a whole and to each individual is manifested by public funding in the UK, and it is the envy of many organisations and artists across the pond who long to create work in an environment where the arm's length principal is at work, however short that arm may be.

Encouraging increased philanthropy is admirable. Mr. Hunt is right to say that more can and should be done to encourage private giving, but this should not blind us to what is already being done by so many outstanding leaders here. I believe that organisations benefit in many ways when they have to articulate their value to external supporters, given that the biggest issue facing cultural institutions worldwide today is defining what unique value they create for communities and society. By all means let us encourage these organisations to continue to "sing for their supper" but please consider that the best tune for them may not be the *Star Spangled Banner,* lovely though it is.

Russell Willis Taylor is president and CEO of National Arts Strategies, the leading provider of leadership education for cultural institutions in the United States, has been working in the Arts and not-for-profit sector for over 25 years, in strategic business planning, financial analysis, and all areas of operational management.

Educated in England and America, she started her career in the Arts as director of development for the Chicago Museum of Contemporary Art before returning to England in 1984 to work with the English National Opera. In 1997 she rejoined the ENO as managing director. She is a fellow of the Royal Society of the Arts as well as the recipient of the first Garrett award in Britain, an annual recognition of an individual's outstanding contribution to the Arts. Taylor returned to the United States in 2001 to take up the post of President and CEO of National Arts Strategies.Taylor is on the advisory boards of The University Music Society, University of Michigan; The Salzburg Global Seminar; The 21st Century Trust; and the Center for Nonprofit Excellence.

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Further Reading:

DCMS Action Plan to Boost Philanthropy ◆

The 10-point plan proposes ways to boost philanthropy in the Arts. Also read Jeremy Hunt's speech given at the launch of the Action Plan.

Government Giving Green Paper ◆

The Government's Giving Green Paper has kickstarted the debate around how to catalyse a culture shift that makes social action a norm, wrapping five key tenets it believes could bring this about in the acronym 'GIVES'.

The paper highlights greater opportunities for people to give 'with the grain' of their lives, better information about giving, making giving more visible, recognising the exchange and reciprocity giving and supporting organisations in taking a role in Big Society.

Endowment in the Arts, Arts Council England ◆

This report was commissioned by the Secretary of State for Culture, Olympics, Media and Sport to look at the use of endowments in the Arts. A similar report about the use of endowments in the museums and galleries sector has also been published by Neil MacGregor, Director of the British Museum ◆.

The Arts Council's report contextualises the use of endowments in the wider landscape of philanthropy and fundraising on the one hand, and an organisation's capital structure on the other. The report makes a number of recommendations to help organisations to fundraise better, this includes suggesting the introduction of an iconic match-funding scheme to dramatically boost general fundraising in arts organisations of all sizes including those major urban conurbations. The report also makes a number of recommendations to support organisations in building fundraising capacity in the Arts.

Capital Matters, 2011, Mission Models Money ◆

Mission Models Money (MMM) new report on the role of capital (in its forms of economic capital, social capital, cultural capital et al.) for arts organisations.

The report argues that a new forward-looking, national, long-term policy and support framework is needed to help build the financial resilience of the UK's not for profit arts and cultural sector, especially those of medium sized organisations. Over the next few months MMM proposes to engage a range of stakeholders in discussions to catalyse the necessary actions.

The Art of Dying 2005, John Knell ◆

This piece originates from the insights generated by the first Mission Models Money conference that took place on June 28th, 2004. The provacative paper informs the final Capital Matters report.

It lent support to three important propositions about the Arts sector in the UK:

- That the portfolio of arts organisations in the UK has become too fixed
- That there are too many undercapitalised arts organisations, operating at near breaking point organisationally and financially, whose main preoccupation is survival diverting their energies from the central mission of cultural creativity
- That there is a need to provoke a more challenging public conversation about the infrastructure supporting the Arts in the UK, and the strategy and modus operandi of arts organisation

Knell noted that perhaps more arts organisations need to learn the 'art of dying'. Or at the very least we need to challenge more directly the mindset common across the sector that it is a wrong, and indeed a cultural crime, to let an arts organisation die.

The original aspiration of this paper was to make that case. In researching and writing it however, the argument and focus of the paper has changed. The narrative focuses more on the 'art of living', and suggests that the relative stability of funded arts organisations in the UK symptomatic of more profound and fundamental problems

The Art of Living, 2007, John Knell ◆

A follow up to The Art of Dying, this provocation is a return to unfinished business – with a focus this time on how the Arts and cultural funding ecology might be transformed to ensure that cultural organisations begin to live a little better.

Cultural Giving, Theresa Lloyd ◆

Cultural Giving is the first guide in the UK to focus on individual giving for the Arts and heritage and is aimed as much at trustees and chief executives as the fundraising staff of cultural organisations, although many of the issues and solutions could be applied to charities across all sectors. Using a case study format to illustrate how the techniques described have worked for a range of different organisations, the book gives plenty of realistic models to follow. There are also vivid examples of how not to do it and specialist advice on a number of topics, including board development, data protection, research, tax and wealth screening.

Why Rich People Give, Theresa Lloyd ◆

Why Rich People Give is the result of the first major research into the attitudes of wealthy people in the UK to money – how they create it, keep it and spend it. The book provides an in-depth analysis of the motivations of the rich to support the charitable sector – or not – by giving money, time and expertise. It covers attitudes to faith, family and community, early experiences of giving and motivations, incentives and rewards. It examines relationships with recipient charities, how people give and feelings about wealth and responsibility.

Award-winning philanthropy in the Arts:

Case studies

Here we feature two stellar case studies of philanthropy in the Arts, both winners of Prince of Wales Medals for Philanthropy in 2010. The medal created by Arts&Business ◆ for HRH The Prince of Wales to award, celebrates individuals who support the Arts and recognises the contribution of the most inspiring cultural philanthropists. Both the following medal-winning case studies demonstrate the immense value and impact of thoughtful philanthropy.

Case studies reproduced by kind permission of Arts&Business

Case study 1: Anthony and Anne d'Offay

Anthony d'Offay did not grow up with paint brushes and easels scattered round the house. As a boy in Leicester, the son of a surgeon and an antiques dealer, he simply picked up the habit of attending art exhibitions at his local museum, and quickly learned to love them. *"I was, like lots of young people, lonely, dazed and confused,"* he says, *"and I found some sort of comfort in culture. I felt by visiting the museum I could reach some sort of resolution to the dilemmas one faces as a teenager."*

Besides helping him "grow up", as he puts it, those visits also stirred a passion for art that has become the focus of his life. Influenced and inspired by his wife Anne, herself a curator, he went on to become one of the world's most successful art dealers and collectors. Together, the couple championed the work of Andy Warhol, Gerhard Richter, Mark Rothko, Gilbert & George and many others. Indeed, with hindsight, the d'Offay Gallery in Dering Street, London, is now widely regarded as a vital catalyst for the renaissance in contemporary British art.

Ironically, the great appetite for contemporary artists that the d'Offays helped inspire also made their work too expensive for most regional galleries to buy. So, in February 2008, Anthony and Anne made the extraordinary announcement that they had decided to give almost their entire collection away – at a personal cost of roughly £100m – so that young people around the country would be able to view it forever, and for free.

In total, the d'Offays donated 725 individual pieces from 32 modern artists, including Warhol, Beuys, Koons, Arbus, Mapplethorpe, Viola and Hirst. Now owned jointly by the Tate and the National Galleries of Scotland, the works have formed a new national collection called **Artist Rooms**. This unique project stipulates that the pieces must regularly tour the country's smaller galleries, where they will be grouped by individual artist, with no admission charge, and a focus on attracting new audiences. This national tour was funded by the Art Fund, the national fundraising charity for works of art.

Unsurprisingly, the project has also been a great success. In 2009, its first year, the various exhibitions were seen by a total of eight million people across Britain, more than 700,000 of whom were outside London or Edinburgh. At the Pier Arts Centre in Stromness on Orkney mainland, for instance, around 14,000 people visited the Bill Viola show – an event that would once have simply been impossible.

And the d'Offays' generosity has not stopped at their donation. Anthony continues to be active in curating the shows, promoting the project, and persuading other collectors and artists to add their own gifts to the group.

"He's such an enthusiast for art and this collection that he's just very persuasive," says Sir Nicholas Serota, director of the Tate. *"He's not a flowery person, but what comes across is his integrity and his absolute passion – a belief that Joseph Beuys and Andy Warhol, for instance, really are very, very important artists who have changed the way we see the world."*

To enjoy something for nothing, to thrive with what one learned, and then to give that opportunity back to others: there is no purer philanthropic story. One can only speculate about how many 21st-century artists, curators, art-lovers and collectors will turn out to have been inspired by the d'Offays' collection. Financially, it is certainly among the largest artistic gifts ever made to this country. Yet, to Anthony and Anne, it was just a favour being returned.

The Artist Rooms tour includes works by Ron Mueck, which were at the Manchester Art Gallery last year. Ron Mueck, Spooning Couple© Ron Mueck

Case study 2: The late Lord Wolfson and family

All philanthropists want to see the money they give away spent wisely, but few can match the efforts of the Wolfson Foundation to make certain of it.

This is not because the late Lord Wolfson (1927-2010) and his family have been reluctant donors – since 1955, they have given away more than £1bn, at today's prices, to a variety of causes in science, medicine, education and the Arts. Rather, it is because the Wolfson Foundation is guided by a philosophy of wrapping its gifts in something even more valuable.

"When we put money in, it's not just a cheque," explains Paul Ramsbottom, the foundation's chief executive. *"We hope it's also a stamp of excellence. We go through an extraordinarily rigorous assessment process, with a panel of independent experts, and only then do the trustees make a decision. The intention is that other funders will then feel that, if Wolfson have put money into something, they can be sure that it's top quality."*

Besides being a wise and productive service, this philosophy is also grounded in the history of the Wolfson family, whose remarkable instinct for business made Great Universal Stores, at one time, the largest retail conglomerate in Europe. When the late Lord Wolfson died, in May this year, there was complete agreement among the obituarists about his shrewd eye for value and unshakable commitment to philanthropy.

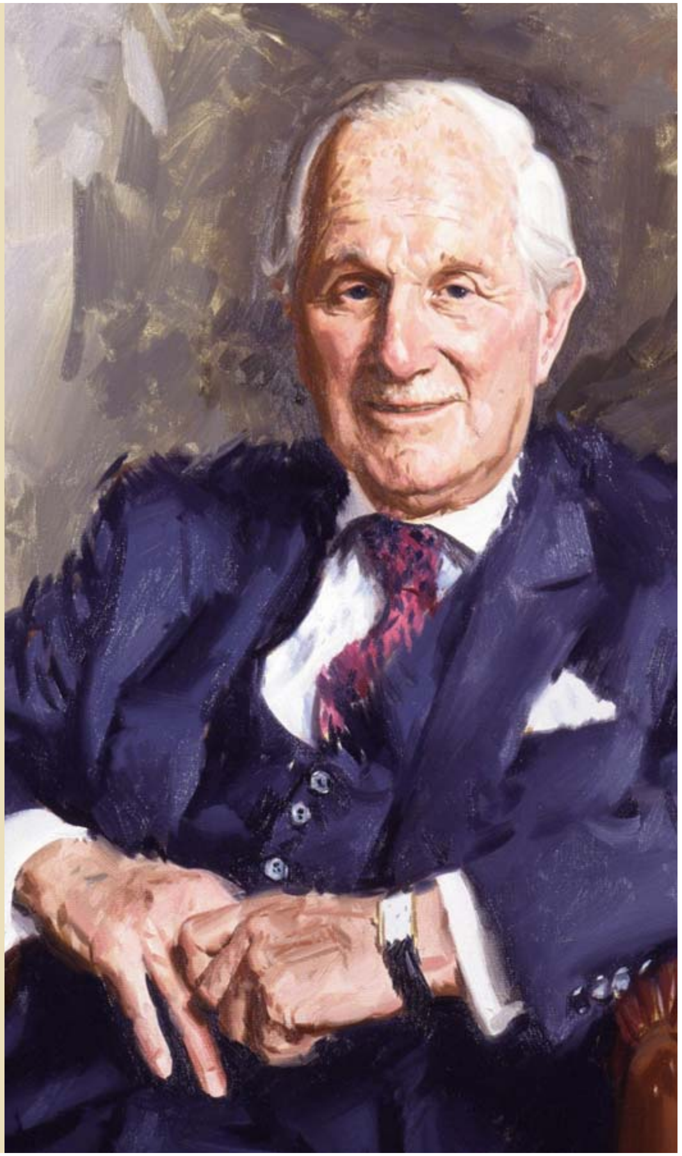
And today both qualities live on in his daughters Janet Wolfson de Botton, who is the foundation's new chairman, and Laura Wolfson Townsley, who now chairs the Wolfson Family Charitable Trust.

"Lord Wolfson devoted huge amounts of his time and energy to the Foundation," Ramsbottom remembers. *"He was always questioning, always interrogating applicants for projects, really looking at every one of these grants as an investment that would reap a return, not to him personally, but to society as a whole."*

Historic Royal Palaces are just one of the many charities who have reason to be grateful for their grilling. *"I have known Lord Wolfson since 2005 when he supported our project to restore and represent Kew Palace,"* says Michael Day, the charity's chief executive. *"It was typical of the Wolfson family to support organisations and projects, as we were at the time, who were new to fundraising and who might have appeared, to the untrained eye, as 'less attractive' funding opportunities than others."*

Since that first encounter with the foundation, however – and no doubt partly because of it – Historic Royal Palaces have gathered many other donors. They have also received more Wolfson support for preservation work on the famous White Tower at the Tower of London. *"Lord Wolfson was a great friend to us," says Day, "championing projects as well as supporting them. His death was a great and sad loss to the Arts and culture communities."*

This year, the foundation made its third, and largest ever investment with Historic Royal Palaces, supporting their ambitious plans for Kensington Palace. You do not need to ask if the money was well spent.



Leonard Gordon Wolfson, Lord Wolfson
by Andrew Festing, 2000 © National Portrait Gallery

Legacy giving:

Golden goose or lame duck?

Boy with a Goose (oil on panel) by Cuyp, Jacob Gerritsz (1594-1651)
© Kadriorg Palace, Art Museum of Estonia, Tallinn, Estonia/
The Bridgeman Art Library

by Cheryl Chapman

Legacies are potentially the 'golden goose' for arts organisations says fundraising specialist David Dixon in his response to the DCMS Action Plan (see page 11).

Yet new research from cultural sector think tank Arts Quarter published in partnership with Legacy Foresight ◆, supports the long held view that, still, too little emphasis is given to legacy fundraising within arts organisations – and that they are missing a potentially rich seam of income.

John Nicholls, managing partner of Arts Quarter, commenting on the findings of the survey, says: *"The levels of success reported by those arts organisations who are actively pursuing legacy fundraising, along with the impressive performance of many organisations in the wider charitable community, both suggest that legacies offer good potential to arts organisations in the longer term.*

"Thanks to a combination of the prospect of a recovering economy and the large and affluent baby boomer generation entering their 'third-age', the medium-term outlook for total legacy giving is good. Arts organisations are well placed to benefit from this surge in income, providing they can communicate their need effectively in what will become an increasingly competitive market."

Currently, money from gifts in wills is worth around £2bn a year to British charities with legacies accounting for 5.6% of total income for the wider charitable sector, including the Arts. In comparison, legacy giving specifically to the cultural sector remains low, says the new survey.

According to a recent Arts&Business survey[1], legacies account for around 10% of private investment in the Arts

[1] *Arts Philanthropy: the facts, trends and potential,* A&B 2010

"The appeal for legacy donors of older, larger institutions is their more visible brands, their reputations and their 'bricks and mortar' presence."

(compared to 13% of voluntary income for general charities) and just 1% of total income.

Research from Smee & Ford, that provides legacy fundraising expertise to charities, shows that only around 5% of those who die leave a gift to charity in their wills. However, its executive chairman Richard Radcliffe says: *"When we meet donors, volunteers and other charity stakeholders, in focus groups – and I have met over 14,000 – up to 60% say they would leave a gift in their Will if asked in the right way."*

Nicholls offers a number of reasons for why the potential of legacies is as yet unfulfilled.

Firstly, he says there is a capacity and an immediacy issue around asking: *"In the current climate there is a need for arts organisation to raise money in the short term to take care of revenue costs. Most organisations see legacy giving as 'another thing to do' in an already overstretched operation. They don't feel they have the resources to deliver a legacy campaign, particularly as legacies are long-term and unpredictable in nature, and charities feel there are other, more immediate, priorities on which concentrate, such as applying for grants."*

The research shows almost half of the organisations pursuing legacies (46%) had made no discrete staffing provision of any kind – looking to resource their legacy activities as a modest adjunct to a current role within their fundraising or marketing resource.

Those who employed a fundraiser dedicated to legacy giving saw a marked increase in income.

But Nicholls says that for a modest level of investment much return could be achieved. *"Fundraisers should take every opportunity to raise the issue of planned giving; in one-to-one conversations with individual donors and through the marketing they already do. They need to be mindful of these opportunities."*

The Arts Quarter research shows that just 38% of respondents actively promote the idea of legacy giving among their supporters. The most common reasons were: lack of capacity (27%), more pressing priorities (21%), and a perceived lack of expertise (18%).

Perhaps more surprising is that 21% of arts organisations admitted that they had "never thought of working on this".

The research also shows that older and bigger organisations are more successful in engaging their supporters in legacy giving. Over three quarters of respondents founded before 1950 had received gifts in wills over the past three years, with 37% of them enjoying annual legacy income of £50,000 a year or more. Over three quarters of these older organisations actively promote legacy giving to their supporters.

The larger the organisation, the more likely they are to consider legacies an essential element of their future strategy. 70% of respondents with income over £5m a year and 57% of organisations with income of £1-5m a year considered it extremely/very/important to their organisation over the next five years.

Among the smallest charities surveyed, the story was very different. Only 5% of respondents conducted any form of legacy promotion. Apart from lack of capacity, the main reason given was lack of awareness, with 41% of respondents admitting that they had "never thought of working on this".

Arts organisations set up since 1981 do particularly badly in attracting legacies, with only 12% of responding organisations currently encouraging their stakeholders to leave gifts in their wills, and only 19% of them receiving any legacies in the past three years. Around 27% of respondent organisations founded after 1981 stated that they have never thought of promoting legacy giving.

Nicholls says the appeal for legacy donors of older, larger institutions is their more visible brands, their reputations and their 'bricks and mortar' presence.

"Legacy donors want to believe their donations will be invested in perpetuity. There is a perception among donors that newer organisations are more transient, though the

organisations themselves would not agree. Work needs to be done by smaller, newer organisations, working in digital medias without a strong physical presence, on building trust and communicating their long-term values and vision to donors – it will be interesting to see how newer organisations address this issue."

The research reveals that some art forms are more popular among legacy givers than others, in part due to fundraising efforts.

Respondents involved in music and opera were most likely to have received legacies, with 80% of them receiving gifts in wills over the past three years. 18% of these organisations attracted more than £100,000 a year in legacy income. This good performance is echoed in the legacy fundraising activities of this group, with 69% actively encouraging stakeholders and members of the public to leave gifts in wills.

43% of those organisations within the theatre community surveyed had received gifts in wills over the past three years. In this case, the number of legacies received and their value was relatively low. None of the organisations surveyed had attracted more than 10 bequests over the past three years, and 71% of them received £25,000 or less a year in legacy income. Just a third of theatres actively promote legacy giving to their supporters at this time, with lack of capacity and conflicting priorities the main reason for not investing.

Only 37% of the museums and galleries surveyed have received any gifts in wills over the past three years. Here, performance was polarised, with one large, national body receiving over £0.5m a year in legacy income. 36% of museums and galleries currently promote legacy giving – lack of capacity and perceived lack of expertise were the main reasons for not participating. 47% of respondents considered legacies to be extremely/very/important to their organisation over the next five years.

Despite the current low levels of legacy fundraising, half of all the Arts organisations surveyed reported that legacy income will be important to their organisation in the next five years. A quarter described it as 'very' or 'extremely important'.

The research shows that where there is a will, there may be a way to increase donations. The DCMS Action Plan has an ambition for the UK to become the first country in the world in which it becomes the norm to leave 10% or more of one's legacy to charity, but increased capacity within fundraising departments and the building of strong donor relations are crucial if the golden goose is not to remain a lame duck.

"Despite the current low levels of legacy fundraising, half of all the Arts organisations surveyed reported that legacy income will be important to their organisation in the next five years."

Moving Crowds 10, 1999 (oil and collage on canvas)
by Keane, John (b.1954) Private Collection/
© Angela Flowers Gallery, London, UK/
The Bridgeman Art Library.
Courtesy John Keane/Flowers Gallery, London.

Crowd-funding:

A remote opportunity for the Arts?

by Cheryl Chapman

'Harnessing technology' is a phrase that pops up wherever there is a need to find new ways to raise funds – including in the DCMS Action Plan.

Many of our commentators also highlight the role technology might play in boosting philanthropic donations. But what does 'harnessing technology' mean?

Perhaps one of the biggest brains in technology-driven philanthropy is Lucy Bernholz who makes clear in her seminal paper *Disrupting Philanthropy* ◆, the opportunity technology offers is not just about the access it allows, or about the data it captures and uses, but "*the expectations and behaviours they unleash.*"

Take crowd-funding. We first saw this concept, which allows many individual donors to give small sums directly to beneficiaries online, employed in reducing poverty in developing countries through sites such as Kiva ◆, that connects individual lenders with third world entrepreneurs.

And with measurable success. To date more than 550,000 people across 292 countries have directly loaned more than $190,000,000 to third world entrepreneurs, representing an average loan of $382 per donor.

The concept, as Bernholz predicted, is now being borrowed in all kinds of areas where funding is an issue, including the Arts. WeFund, Sponsume, BuzzBank, IndieGoGo and Pozible are but a few that the UK can now access, as Patrick Hussey of Arts&Business, writes in his feature *The future of arts philanthropy?'* ◆. It's a behaviour that begun in the US with Kickstarter ◆, and offers donors the opportunity to become involved in

cultural projects for a few dollars, often with additional perks.

Already, the UK can boast a successful crowd-funding initiative: Wefund's 'White Review', a journalistic project that has attracted in excess of the £2000 it sought to launch a new non-profit arts, culture and politics quarterly, published in print and online ◆.

However, while the innovative crowd-funding concept offers an exciting ideal, there is sceptism around whether it will be the answer to the funding gap facing most arts organisations in austerity Britain.

David Dixon, a fundraising specialist within the cultural sector, whose company NFP Voices ◆ supports cultural organisations in using social media, warns that for established arts organisations who already know their audiences crowd-funding is a 'red herring'.

"Crowd-funding provides a way for donors to connect directly with artists and projects cutting out the intermediary and there is certainly a place for that.

"In the cultural sector, it may well appeal to donors interested in discovering new artists and projects, allowing them to connect directly with the 'artist starving in his garret'. But for established institutions it is entirely irrelevant.

"They already know their audiences and have relationships with them. They know who their ticket buyers are so can communicate their new projects to them via post, telephone and email. Crowd-funding is unlikely to add a meaningful dimension in such established relationships."

Having said that, Dixon says technology is important and incredibly valuable in fundraising for the Arts. *"Databases, email, websites and social media are crucial for institutions in strengthening relations with their audiences, building communities, interacting with them and providing a channel for donations.*

"But what should be remembered is that technology is a tool like any other and the important element in all donor communication, online and off, is the message it contains and the relationship it can facilitate, as it always has been."

Even for organisations that construct their organisations around this new phenomenon, such as Cinema Reloaded, ◆, a Rotterdam-based project that allows young film makers to upload their projects to a site in a bid to attract funding, and donors to become 'co-producers' for as little as 5 euros, crowd-funding has not been a roaring success.

Their two 15,000 Euro projects have failed as yet to meet their targets. The site is currently undergoing a relaunch with Dixon offering guidance. He explains: *"Where it has failed is in attracting donors to the site through conventional means."*

It illustrates what many believe - that technology is just another tool and not the solution to attracting major funds.

That said there remains great hope for technology as a revenue-generation channel for the Arts and it is receiving serious government backing in the shape of a £1m seed fund announced by culture minister Ed Vaizey ◆, at the Culture Change conference in London on 27th January.

Vaizey set out a clear expectation for cultural organisations to join the Arts industry in making more use of technology to engage with audiences, attract new customers and, crucially, to boost revenues.

Vaizey announced that the Arts Council and NESTA will draw up proposals for a scheme to support museums, art galleries and other cultural organisations for smaller projects that will share their digital learning, backed by the £1m seed funding.

The scheme is intended to be available across cultural and creative industries, whether they receive government funding or not, to help organisations become more businesslike, and offer practical help with the nitty gritty of business, such as introducing digital innovations.

In his speech Vaizey highlights examples of a number of innovations that bring new audiences and enhance the visitor experience.

While potentially exciting, it is important to remember these ideas are not suitable for every organisation and traditional tried and tested techniques for some will be far more successful than others.

Author of Cultural Giving ◆ and our guest editor Theresa Lloyd says: *"Success in all cases will depend partly on the art form and the excellence with which it is presented, but also on the commitment of the board and those delivering the mission to real engagement with current audiences and visitors, and to creative thinking about audience development."*

Lloyd says in successful fundraising for the Arts, whether online or off, there are two crucial and perhaps obvious points that bear repeating:

- The quality of the artistic vision, mission and delivery must be outstanding. This is the most important factor.
- People do not support "the Arts" in general. People will not support the Arts unless they are already inspired by the art form and feel they have a special relationship with the institution. That is why the best source of potential donors are visitors, audience members and other "users".

A promising example of non-digital innovation around ways to connect with new audiences is demonstrated by the Orchestra of the Age of Enlightenment. With significant funding provided by the Esmée Fairbairn Foundation (whose Director Dawn Austwick is a contributor to our commentary) the orchestra is developing a whole new approach – shorter concerts in venues far removed from a traditional concert hall, such as the Roundhouse. Informal, low cost, but with the same musicians playing to the highest standards with the same repertory as the "mainstream" concerts, the "Nightshift" concerts attract full houses of young people who love the idea that they can come and go, bring drinks in and are surrounded by other young people ◆.

As well as being innovative with ideas for attracting younger audiences to live performances, the orchestra is pioneering use of digital technology. Its concerts from the Queen Elizabeth Hall, London (8th February), and The Anvil, Basingstoke (12th February) were available to watch through a live stream on their website. The transmission on 8th February attracted over 11,700 views.

The greatest hope for digital technology is the way it connects with younger audiences, but as Lloyd points out, it will be many years before these young audience members, and those attracted to crowd-funding sites who are not already involved with an organisation, will have the capacity to become major funders.

"To reach these audience members is a challenge in itself, as venues that host touring performing companies hide behind the data protection act to deny access to the names of those who have bought tickets for a specific event, and institutions with free entry cannot capture the names of those who visit, however regularly, unless they also buy tickets for special exhibitions or, of course, become 'Friends'," says Lloyd.

So while "harnessing technology" is an important activity for the future, it, like so much of the Action Plan, is not a 'quick fix', nor will it be the 'perfect solution' – as Hussey points out: *"With so many crowd –funding sites about there is a danger of splintering audiences and thus donors."*

And such funding could come with undesirable consequences – *"it could change the way art gets made, making creation populist,"* says Hussey.

"Instead of pushing out what you think people want, the crowd-funded arts will have to be what people want. This could be hugely exciting. A chance to hitch the Arts to topical interests and movements? It really could herald an era of co-created political art, harnessing the hearts and minds of demographics currently lost to culture. Equally, we could end up with 'the Hoff does Hamlet'.

"Crowd-funding could be the tool to democratise philanthropy, but it will also import inequality. Large, world famous organisations already prosper hugely on social media while small galleries struggle to accrue followers," writes Hussey.

So while "harnessing technology" is an important ambition for the future of philanthropy, the most important word is perhaps not 'technology', but how it might be 'harnessed' in each arena.

Corporate philanthropy and the Arts

In recent months, the spotlight has fallen on 'business' to look to itself as a power for social good. Deputy prime minister Nick Clegg, Lord Mayor of the City of London Nick Anstee, along with former chairman of Lloyds banking group and philanthropist Victor Blank, are among many who have publicly called on corporations to search their souls and explore how they can better support their communities.

The government too has targeted business as a source of greater funding and as part of the DCMS strategy to boost philanthropy, 2011 has been nominated the Year of Corporate Philanthropy. While business and the Arts have enjoyed a long relationship, and with many notable successful examples, particularly in London and the South East (see case studies), recent figures show that the recession has taken its toll. Arts&Business' recent cultural audit, published at the end of January shows in 2010 business investment in the Arts fell to 2003/04 levels; 12% down on the previous year to £144m, less than a quarter of the £658m donated privately to the Arts in 2010. It is the third consecutive fall. While giving in kind has seen an increase there is a strong sentiment that commerce should take a new approach, putting social responsibility at the heart of its operations.

Research commissioned by the City of London Corporation, from Oxford Economics calculated that the UK's Financial and Professional Business Services firms' Corporate Community Involvement amounted to a value to UK communities of £820m in the financial year 2009-10.

As Anstee said in presenting the winners of the 2010 Dragon Awards that mark Corporate Community Involvement in the City of London: *"The mark of a successful city is not only its economic prosperity, but also its social contribution; this should be a fundamental part of the calculation of a city's success. Although the climate for business is tough, giving staff time to get involved in Corporate Community Involvement is clearly a good investment – it pays dividends for the community, for staff and organisations alike ◆."*

On the next page **Jonathan Tuchner, director of press for Arts&Business ◆,** which has been active in creating fruitful partnerships between commerce and culture for more than 30 years, gives his view on the approaches needed to promote sponsoring partnerships between arts and business. Two case studies, featuring winners from the 32nd Arts&Business Awards, illustrate the mutual returns arts organisations, businesses and the public gain when they come together.

Jonathan Tuchner, director of press, Arts&Business, writes:

"Only the foolish believe that business is hardwired to give to the Arts. Over the recent recession, the number of business/arts partnership and the value of those partnerships has fallen year on year. Arts&Business knows from our 36-year history that it is always hard to convince business to work with the Arts; to convince them when times are tight is harder. But it also knows that if you get the arguments right; if you focus on the needs of the business, they will return. The government has named 2011 as the Year of Corporate Philanthropy – collectively we need to make this a game-changer.

We need to take this year to both inspire businesses to collaborate with the Arts not just because it is a worthwhile endeavour but because there is a clear business rationale for doing so. We plan to continue to play our part, knocking on doors, selling the cultural offer, analysing the right business solution, celebrating their partnerships and best practice (the Arts&Business Awards) and proving the benefit of engaging with the Arts. Be clear most of this activity and amplification is about benefit; it is sponsorship.

Arts&Business understands the myriad ways companies engage in the Arts to enhance their brand and marketing, improve staff productivity and develop innovation. Alongside this the Arts can also play a vital role in terms of corporate social responsibility; using the Arts to help change the communities that matter to those businesses. But throughout both partners have to recognise that a business rationale must be developed, objectives set and a quantifiable return on investment measured. This is the fundamental difference between corporate partnerships in the US and those in the UK. In American they do it because they feel they ought to. In the UK by focusing on the business benefits, Arts&Business has helped businesses in the UK to recognise that they should do it because it is good for business – and that, we believe, is the only route to sustainability.

Arts&Business has undertaken a cultural audit of the UK-based FTSE 100 – around 20% of businesses have dynamic arts strategies. Convincing other businesses to join them in working with the Arts is not child's play. It is for fundraising professionals who understand business thinking and needs, understand the different budgets and stakeholders and understand how the Arts can help. Exhorting individual bosses to personally give is all very well – but they run businesses that are answerable to shareholders and they have to be convinced as well. We know that convincing the business sector is time-consuming and labour intensive.

The motivations for cultural philanthropy are different. They are led by passion, interest or need. But whatever cause they are supporting, they still have objectives, still have hopes that need to be fulfilled and those need to be addressed by their arts partner.

Whatever the type of private sector money, individual or corporate, there is no magic bullet – only tenacity, confidence and skill will grow private investment in culture."

Corporate philanthropy and the Arts:
Case studies from 32nd Arts&Business Awards (2010)

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Case study 1

Winner of Jaguar Land Rover A&B Community & Young People Award: Sheffield engineering firm Ekspan and The Open Door Theatre Company.

The opportunity

A remarkable Sheffield partnership between engineering firm Ekspan and the Open Door Theatre Company (ODTC) dramatically demonstrates the positive outcomes achieved when the best of business "know-how" and artistic creativity combine.

Ekspan transformed a 15,000 square foot factory to host a production of George Orwell's '1984' staged by the ODTC. The use of this unique space plus critical project management support supplied by Ekspan ensured the play was a resounding success; and gave birth to a permanent community hub benefiting local people – the Brightside Project.

The impact

The project enabled Ekspan to profile its business and services in situ, generating invaluable publicity in addition to networking opportunities with a wide range of new contacts. Stronger relationships forged with customers and suppliers involved in the project improved Ekspan's ability to support its clients' needs.

Staff engagement in the project enhanced employee cohesion and teamwork, leaving a lasting blueprint ripe for further consolidation. Staff participated in every aspect of the project – from building the stage set, acting, security and bar-tending to marketing and producing design, press and publicity materials.

The partnership also enabled ODTC to fully realise its artistic remit – bringing innovative, thought-provoking, high quality theatre to communities where such opportunities are limited.

The Brightside Project is now a fully licensed arts venue hosting a wide range of community projects which involve young people, showcase local talent and reach the seldom heard.

Images courtesy Ekpan & Open Door Theatre. Photographs by Andrew Chapman.

Case study 2

Winner of Lloyd's A&B Business Innovation Award: Travelex and National Theatre

The opportunity

Last year, Travelex, long-time sponsors of National Theatre came on board as partners for NT Live – an ambitious project to broadcast theatre live (or as-live) from the stage in London to over 300 cinemas in the UK and around the world including New York, Toronto, Johannesburg and Sydney.

In the true spirit of partnership, Travelex also handled the international payments associated with this scheme, by receiving and exchanging box office revenue from around the world.

With Travelex's investment, the ticket price could be kept to £10. This was consistent with Travelex's long-standing association with the Travelex £10 Season.

The impact

The use of technology has grown the audience and customer base for both partners - more than 150,000 people have seen NT Live internationally; 100,000 internationally and 50,000 in the UK. Travelex was able to develop business in its most important global business centres. With trailers running up to and before each NT Live screening, Travelex was able to confirm its position as a truly global operator in the hubs of South Africa, Australia, US and UK. Client hospitality helped develop key relationships with approximately 500 partners and secured new business with a combined turnover of over £20m.

Adam Ognall
deputy chief executive at
UKSIF

What's new in impact investing?

A brief round-up of developments from the impact investing world

By Adam Ognall, outgoing deputy chief executive UKSIF

JP Morgan, Rockefeller and GIIN estimate impact investment market of $400bn-$1tr

'Impact Investments: An Emerging Asset Class' assesses data collected from more than 1,000 impact investments and estimates a global investment opportunity of between $400 billion and $1 trillion over the next ten years.

▸ www.rockefellerfoundation.org

Social Investment Task Force celebrates 10 years at House of Commons Reception

The reception included speeches from Civil Society Minister Nick Hurd MP and Task Force chair Sir Ronald Cohen. If followed the publication of the Task Force's final report in 2010.

▸ www.socialinvestmenttaskforce.org

Charity Commission proposes revised guidance on impact investing

The Charity Commission has launched a public consultation on revised guidance on investment matters for charities. The new guidance proposes to bring together all investment guidance and includes new approaches and definitions for 'social investment'; including for 'mission connected' and 'programme related' investment. It also introduces the concept of 'mixed purpose investment'. The consultation is open until 28 February.

▸ www.charity-commission.gov.uk

Charity Bank receives ifs Award for Outstanding Innovation

Charity Bank received the award from ifs School of Finance.

▸ www.charitybank.org

Triodos Bank breaks £300m lending barrier in UK

Triodos grew its UK lending by 20% in the first three quarters of 2010 and expects by early 2011 to have reached half a billion pounds of lending and commitments. Triodos only finances enterprises which create social, environmental or cultural added value.

▸ www.triodos.co.uk

Citylife launches pilot multi-charity bond

The bond allows investors to raise funds for several charities such as Tomorrow's People and Community Links.

▸ www.citylifeltd.org

Oikocredit formally launches in the UK and Ireland

Oikocredit, the worldwide financial cooperative that provides sources of private funding to the microfinance sector, has held its launch event for UK and Ireland.

▸ www.oikocredit.org

Big Issue Invest raises £3m for its Social Enterprise Investment Fund

Big Issue Invest provides a range of finance options from loans to equity from £50,000 to £500,000. It funds socials enterprises that typically already have a trading history.

▸ www.bigissueinvest.com

Annual survey finds 77% rise in community development finance

'Inside Out 2010' gives the result of the cdfa's annual survey of the community development finance sector. CDFIs lent £200 million, with the value of CDFI loan applications rising to £437 million, (from £360 million previously).

▸ www.cdfa.org.uk

Nesta announces shortlist for financial solutions that could be offered by the Big Society Bank

Nesta has selected 22 proposals that will receive up to £10,000 each to complete a final stage of research and due diligence. The awards are for products and services that could be offered by the Big Society Bank which the government plans to launch in April 2011.

▸ www.nesta.org.uk

In the next issue, Lisa Wootton, project manager at UKSIF will be compiling this column.

If you require any further information on these stories or have an impact investing news item please contact Lisa Wootton.

▸ lisa.wootton@uksif.org

"We learnt you had to be compassionate but at the same time encourage people to help themselves and preserve their self-respect. These lessons are the cornerstone of my philanthropic beliefs."

My philanthropic journey

Nurturing philanthropy *by Gina Miller*

Gina Miller and her daughter, who has been an inspiration for Gina's philanthropy. Photograph by Hugo Burnand

In each issue we ask a philanthropist to share their story of giving: their inspirations and the rewards derived from giving their time and resources to a cause they feel passionate about and the lessons they learned. Here Gina Miller, co-founder of SCM Private, and Miller Philanthropy, shares her story.

"I cannot pinpoint my moment of enlightenment. I am a humanist and firmly believe in people and in helping each other – for me, it is as simple as that. I would say it is in my genes so I would say my journey started as soon as I became aware of the world around me.

My grandfather was a wealthy landowner in what was British Guyana, who was known for his tough but kind nature and the benevolence with which he treated his many diverse tenants.

On his death my mother took over running his estate and tenants. My first memories of her amazing work was our monthly Sunday trips for me and my four siblings when mum took us on a long drive from the city to the countryside.

Anyone on the estate could turn up and talk to her about anything. Her approach filled me with awe, she never just gave hand outs but understood that people needed practical help and encouragement. For example, the poor family who couldn't pay their rent because their crops had failed and had no means of buying new seeds, were given seeds and more tools and told the arrears would be vastly reduced but never completely eradicated.

"I would love others to experience the feeling of sheer joy when you see in the eyes of someone you have helped that hope has returned."

Another example was a farmer whose well had dried up and was given the materials to build a new one as long as he supplied the labour and gave neighbours access to the well.

Her attitude was that by being focussed only on the money and throwing people out of their homes, resulted in families being damaged and in turn the community. We learnt you had to be compassionate but at the same time encourage people to help themselves and preserve their self-respect. These lessons are the cornerstone of my philanthropic beliefs.

Philanthropy is a state of mind and heart. I don't believe it is simply about writing a cheque, although money is important, it is about doing what is necessary – giving generously of your time, skills, resources and profit. The world "philanthropy" comes from the Latin "philanthropia" which means *love of mankind*. I believe that people innately want to help but desist if they think they can only do a little – however for those who have nothing, a little is a great deal. It's all about perceptions and my perception is that we can all make a difference.

I firmly believe that we have to start in our own backyard. If more people did so, the ripple effect would be significant. I would love others to experience the feeling of sheer joy when you see in the eyes of someone you have helped that hope has returned.

None of us should be complacent. Lives can change without warning and I am more than aware that one day my family might need help, and I would hope that a kind soul somewhere may wish to offer succour.

As a teenager going to school in Sussex, I volunteered to visit an old peoples' home near my school as I have always been fascinated by our elders' stories and experiences. I remember being touched with sadness by an elderly gentleman who told me how successful he was, how successful his children were, of the places he had visited, but he had one regret; he felt he hadn't made a difference to anyone. Whilst I would think this dear man underestimated himself, it must be a poignant realisation.

I have no great ambition, no great strategy. I simply want to help in the most straightforward way to find solutions to problems and not just to plaster over cracks.

My greatest inspiration is my eldest daughter. She will be 23 soon and has special needs. I say she has "different abilities" rather than disabilities and one of those is to see things clearly and with a heightened emotional awareness. One of the most profound memories I have of her insight happened one winter when I was walking through Bristol with her, aged eight.

On the pavement was a wreath, there was a group of teenagers nearby and I stopped to ask if they knew why the wreath was there. They said it was for a young boy they knew who was being abused at home so he ran away and was living on the street. Because the weather was so cold and he couldn't find shelter he lived under the stairway of flats behind where we were standing and had died because he was cold and hungry.

This brought me to tears as I couldn't believe in a civilised society like ours children were dying because they were cold and hungry! On the way home in the car my daughter was very quiet. When I asked what she was thinking, she said, "*mummy we have lots of rooms in our house, can't we get the people who are cold and hungry to live with us so they don't die*". My answer was "no" but I promised her that I would always spend time helping people and children who needed help. Her reply was, "yes mummy, because you know lots of people don't have anyone to love them". Her depth of wisdom is ever present. She often reminds me that people aren't really bad; they just don't have anyone to love them.

I want to encourage social care and love. If, for example, you see someone crying on a park bench, don't ignore them; simply ask if they are alright or if you can help. They might be desperately lonely, depressed, or suicidal and words of kindness and concern could be the lifeline they need. Philanthropy is about a big heart, not just a big cheque.

Conversations with my children about helping others, poverty and what I believe is right are reminiscent of those I had with my mother and she with hers. I don't see my philanthropic journey as ending with my death but continuing through my children.

I launched Miller Philanthropy in October 2009 to bring some structure and strategy to my giving and charity work. I wanted to offer others that might be time poor but rich in resources a '*philanthropic intermediary*' opportunity, with no costs attached. I believe investing in grassroots, innovations and initiatives is the key to unlocking longer term solutions to some of the most glaring social issues. Our foundation is nimble, flexible, and efficient and has the ability to make maximum use of resources and skills available to us. We want to make the small, weak voices of the vulnerable, audible.

Miller Philanthropy is 100% underwritten by me and my family. All donations are given to small community-based charities that are supported in terms of finance, resources, mentoring and whatever it takes to help make them sustainable. All the chosen charities undergo rigorous due diligence, and all donors are kept up to date with how donations are spent and the projects being supported; keeping track of performance indications agreed with the charities and the outcomes they achieve."

Gina has been a marketing director since 1996, accomplished in all disciplines of marketing relating to the UK retail financial services, hedge fund and business to business sectors. She has three degrees in Marketing, Human Resource Management and an LLB Law Degree.

Gina founded the first marketing agency specialising in marketing for retail financial services and at its height the agency had 42 financial services, product providers and IFA clients. She also co-founded the retail investment industry's flagship event portfolio, The Senate Programme.

In June 2009, Gina co-founded SCM Private, a pioneering investment management business, and a philanthropic foundation, Miller Philanthropy in October 2009. She has also co-founded Leigh Cottage Childcare which established a children's nursery near Bradford-upon-Avon in order to provide home-from-home childcare.

▸ ***www.scmprivate.com***

"I have no great ambition, no great strategy. I simply want to help in the most straightforward way to find solutions to problems and not just to plaster over cracks."

Agnieszka Sawczuk, president of the board of the Foundation for Poland

"In most cases giving is a spontaneous act – an ad-hoc reaction to an immediate impulse or a request for help, driven by compassion."

EuroView: *Poland prepares for first generation of philanthropists*

In each issue, we invite a contribution on a topical issue from philanthropic leaders across Continental European. Here Agnieszka Sawczuk, from Foundation for Poland, shares her thoughts on the opportunities for philanthropy in Poland today.

"*I guess that's the way I am, I help when I can*," said fire chief Waldemar Michalowski. In August last year he went to Russia with nearly 160 friends to fight the fires beleaguering the suburbs of Moscow. It is actions such as these that demonstrate the solidarity Polish people feel with those less fortunate than themselves; their sense of justice and their urge to help.

Such attitudes together with increasing wealth should present good prospects for the development of private philanthropy. In Poland, the time for philanthropy seems to be ripe; yet, it is still to be rooted.

There are several reasons for this; among them wealth creation, the culture of giving, and the state of development of the philanthropy infrastructure in Poland.

Over the last 20 years Poland has created much wealth through entrepreneurship. The relatively stable – as much as it can currently be – financial situation and accumulated wealth allows Polish HNWIs, largely owners of SMEs and board members of multinational corporations who have mostly obtained their wealth through their own efforts, to look beyond their personal needs.

Many of them are at the stage when they are beginning to think about succession. They are preparing their offspring (now in their 20-30s) to take over their business or planning to simply sell it and do other things in life. The question is how to make philanthropy one of the potential choices on their palette.

The urge to help the less fortunate – resulting mainly from moral obligation (over 60% Poles donate for religious motives) – should facilitate an engagement with philanthropy. Yet only 28% of Polish people give (KLON/JAWOR 2008). In addition, almost 60% of those who do give mistake philanthropy with charity and the '1% tax' donated to public benefit organisations by all taxpayers in Poland. (Foundation for Poland, 2010).

These attitudes directly translate to how HNWI perceive their philanthropy. While the vast majority of those we encounter do give, strategic philanthropy is not the approach taken. In most cases giving is a spontaneous act – an ad-hoc reaction to an immediate impulse or a request for help, driven by compassion.

In addition, hardly any HNWIs talk about their philanthropy to the extent that Polish philanthropy could be described as "anonymous". People consider giving a private thing. Talking about who gives, to whom and how much is seen as 'bad form'.

"The task now is to make this impulse for giving a regular habit that might lead to more strategic philanthropy."

As a result, there is generally little known about private philanthropy. Yet the hope is more light will be shed by the forthcoming research to map philanthropic giving, undertaken by the Foundation for Poland and supported by the Banque de Luxembourg, to be finalised in April 2010. It features in-depth interviews with HNWIs that aims to identify their motivations for giving, the size and most popular forms of philanthropy, as well as the potential of the philanthropy market in Poland.

Currently, philanthropy does not 'pay off' financially, since the environment for giving is not particularly encouraging, with a rather a limited system of tax incentives.

Nevertheless interest is there. Most HNWIs say that they "*try to help when they can*". The task now is to make this impulse for giving a regular habit that might lead to more strategic philanthropy.

To be effective, philanthropy demands a robust infrastructure and strong management support. One of the biggest challenges in this respect is developing a professional and bespoke service for prospective philanthropists as well as educating intermediary organisations to assist them in their giving.

This need is not met in any way by banks. In other countries with longer philanthropic traditions, such as the UK and USA, in response to a demand from clients who, according to reports, are showing as much interest in philanthropy as they do in any other part of their investment portfolio, banks are offering additional philanthropy advisory services beyond traditional ones such as inheritance and asset management.

While banks are acknowledging the steady rise in the number of HNWIs over the last 10 years, with all major Polish banks opening private banking departments and international banks establishing representative offices or opening retail services, none of them offer philanthropy assistance of any type. The same applies to legal firms.

And although there are quite a few non-profit organisations that assist companies in implementing their CSR strategies, there are very few that support individuals to engage in philanthropy. Currently only the Foundation for Poland does this in a comprehensive way.

Of course, 'life hates a vacuum' so sooner or later the number of institutions offering this type of service is likely to increase.

Another saying relevant to the Polish situation, and it exists in almost every language, is "from clogs to clogs in three generations" and describes how the first generation makes wealth, the second husbands it and the third spends it. Fortunately for the future of Polish philanthropy we still have one more generation to go.

Agnieszka Sawczuk is president of the board of the Foundation for Poland

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Foundation for Poland supports individuals and companies in their philanthropy work. It provides knowledge on how to engage in philanthropy as well as services so that their philanthropy engagement is both effective and satisfying.

▸ ***www.fdp.org.pl (in Polish)***

Influential reading: *David Carrington*

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 David Carrington, an independent philanthropy consultant who has recently stepped down as chair of Philanthropy UK's editorial group. He can be contacted through his website www.davidcarrington.net or at davidcarrington@btopenworld.com

David says:

"Being invited to reflect on what writing has inspired me, and shaped my thinking on the use and management of philanthropic funds and resources, must be a bit like trying to draw up a list for *Desert Island Discs*. It made me spend part of the last day of 2010 working my way around my office, poking along the shelves piled high with books and reports which cover three of the four walls, rediscovering some material I had not touched for years but also seeing how well thumbed are some key publications.

I realised that almost all were journal articles, reports and papers, rather than books. They contain writing that, when first discovered, had sparked in me a new insight or thought, or reinforced at just the right time an idea that was forming. I also realised how much my thinking about how philanthropic funds could be best invested and distributed has been influenced by papers and reports written by (and conversations with) friends and colleagues.

Notable amongst these are Steve Viederman on Fiduciary Duty, Jed Emerson on Blended Value, Luther R Ragin of the F B Heron Foundation, Melissa Berman and her colleagues at Rockefeller Philanthropy Advisers, Lucy Bernholz's blog Philanthropy 2173, Ed Skloot at Duke

David Carrington, independent philanthropy consultant

"A wonderfully cogent appraisal of how philanthropic resources could be used if we 'raise the bar' and break away from some of the cautious and orthodox practice which is so deeply rooted in so much contemporary philanthropic activity."

University, Julia Unwin's The Grantmaking Tango and the twin papers on arts funding by John Knell (Art of Dying and Art of Living) for Mission, Models, Money, and many more.

I thought that trying to pin down just three that have been especially influential would be very difficult, but three names kept surfacing: Clara Miller, Katherine Fulton and Shirley Otto – each for very different reasons.

Clara is President and CEO of the Nonprofit Finance Fund (NPFF). Together with colleagues she has produced a series of reports (and made lots of investments), which have demonstrated how philanthropic funds can strengthen the financial health and resilience of charities and community organisations. The paper from the NPFF 'stable' which has had the greatest influence on my own thinking is *Building is not Buying*, which was authored by Clara's colleague George Overholser, the Founder and Managing Director of NFF Capital Partners. This short paper sets out with wonderful clarity the difference between how philanthropic funds can be used, in effect, as equity to 'build' the growth capital and sustainability of a charitable or social enterprise, in contrast to the use of most philanthropic funds to 'buy' some charitable activity. My second 'influential writer' is Katherine Fulton, President of the Monitor Institute

The timing of when I come across a specific new article or report can have profound impact on the value I derive from reading it, and that was certainly the case with the publication in 2005 of a series of papers prepared within a project on the future of philanthropy that Katherine led. *Looking Out for the Future* and *Cultivating Change in Philanthropy* pulled together trends and possibilities in a splendidly comprehensive and challenging way, helping me to lift my thinking up and beyond preoccupation with how philanthropic funds are used and organised currently, and to imagine and explore how much more could be achieved. More recently (July 2010), working with her Monitor Institute colleagues Barbara Kibbe and Gabriel Kasper, Katherine has written *What's Next for Philanthropy – Acting Bigger and Adapting Better in a Networked World*, which is another wonderfully cogent appraisal of how philanthropic resources could be used if we 'raise the bar' and break away from some of the cautious and orthodox practice which is so deeply rooted in so much contemporary philanthropic activity.

I've been as concerned with the management and governance of charitable organisations as I have with how charitable funds are used, which brings me to my third writer, Shirley Otto, and to something she wrote way back in 1985. Shirley is a hugely influential guide and mentor to many people who seek to enhance standards of management and organisational leadership in the charity and related civil society sectors. I first worked with her in the 1970s and can still recall lessons learnt from those early encounters that I have applied throughout my subsequent 'career' as a trustee and charity executive. In 1985 (in partnership with Christine Holloway), Shirley wrote a handbook on running voluntary organisations called *Getting Organised*.

I still have my copy and still refer to it in preference to many other more recently published guides. Many of the tactics I have used in my participation in Board meetings, and in helping foundations and charities with organisational reviews and strategy planning sessions, owe their origins to the clear and eminently straightforward practical suggestions brought together in that publication. More recent wisdom from Shirley Otto is contained in the sharply observed 'charity soap' that she contributes to the journal *Governance*.

This wander around my hopelessly badly organised bookshelves has reinforced how much of my learning and endeavours are the product of reading the work of, and conversations with, colleagues and friends who – in different ways – have been trying to work out how philanthropic resources can be most inspirationally and sustainably applied to complex and challenging tasks; and how enjoyable and continually refreshing those conversations and that reading can be."

David Carrington has been an independent consultant since 2001, drawing on 25 years experience of senior management positions in charities (the last 13 as Chief Executive) and Board member experience with over a dozen organisations, including a University, the Media Trust, Alliance Publishing Trust, the National Foundation for Youth Music and the New Opportunities Fund. Carrington has also been chair of the editorial group of the Philanthropy UK e-newsletter and a member of the Social Investment Task Force and of the Commission on Unclaimed Assets.
Carrington is a member of the Advisory Board of the Centre for Effective Philanthropy. I am also a member of the Supervisory Board of Triodos Bank NV.

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Links to websites and articles mentioned

F B Heron Foundation: **www.fbheron.org**

Rockefeller Philanthropy Advisors: **www.rockpa.org**

Lucy Bernholz's blog philanthropy 2173: **http://philanthropy.blogspot.com**

Ed Skloot at Duke University: **www.duke.edu**

The Art of Dying, John Knell: **www.scribd.com/doc/23974643/Art-of-Dying-John-Knell-2005**

The Art of Living, John Knell: **www.scribd.com/doc/23974645/The-Art-of-Living-by-John-Knell-2007**

The Grantmaking Tango, Julia Unwin: **http://www.baringfoundation.org.uk/GrantmakingTango.pdf**

Building is not Buying: **www.nonprofitfinancefund.org/news/2010/growth-capital/building-not-buying**,

NFF Capital Partners: **www.nonprofitfinancefund.org**

Monitor Institute **www.monitorinstitute.com**.

Looking Out for the Future: **www.futureofphilanthropy.org/project_final_report.asp**

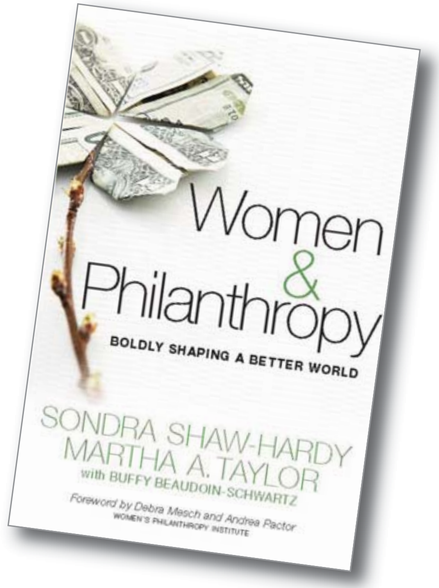
Cultivating Change in Philanthropy: **www.futureofphilanthropy.org/cultiv_change.asp**

What's Next for Philanthropy – Acting Bigger and Adapting Better in a Networked World: **www.monitorinstitute.com/whatsnext/**

Getting Organised: **www.deepdyve.com/lp/sage/holloway-christine-and-otto-shirley-getting-organised-bedford-square-dee9WsU5Ed**

Governance (Shirly Otto 'charity soap'): **www.civilsociety.co.uk/profile/Shirley%20Otto**

Publication reviews and notices



review

by Dr Beth Breeze, publications editor

Women and Philanthropy: Boldly Shaping a Better World: Engaging Donors and Developing Leaders
Sondra Shaw-Hardy and Martha A. Taylor with Buffy Beaudoin-Schwartz
San Francisco: Jossey Bass, September 2010. 304pp. Hardcover. ISBN 978-0470460665.
£28.99 www.amazon.co.uk/gp/product/0470460660

Philanthropy is still perceived as a man's world, according to the authors of this book, who have had distinguished careers advancing women's philanthropy, including setting up the Women's Philanthropy Institute within the world-leading Center on Philanthropy at Indiana University.

Shaw-Hardy and Taylor argue that the widespread under-rating of women's capacity and desire to be philanthropic is not only another tiresome example of sexism but is also significantly hampering the ability of charities to raise funds from half of the population. However, there is a world of difference between the fairly uncontroversial suggestion that fundraisers under-estimate the potential of female donors at their peril, and the rather more dubious proposition that a certain style and degree of generosity is a result of being in possession of a pair of XX chromosomes.

The authors subscribe to the view that "there are biological, neurological, and behavioural variations in women's and men's brains"; they cite research which claims that the two genders think differently, and consequently have different psychological tendencies, different moral outlooks and a different set of values. Thus the premise of their book: "if women thought in ways different from men, and their values were different, then their philanthropy would be different as well." The success of this book is therefore somewhat reliant on whether the reader is willing to go along with the notion that 'men give to Mars and women give to Venus'.

The authors clearly do believe that pink and blue approaches to philanthropy exist. They cite scientific research that concludes men and women are fundamentally different, and extrapolate from this to declare that "their motivations for and patterns of giving differ as well". These alleged inherent gender differences mean that women bring "distinctive traits" to the philanthropic table, including a preference for collaboration, a talent for networking and a bias towards social justice philanthropy. Indeed, male philanthropists might be justified in taking umbrage at the claims made on behalf of fairer donors – such as women being more interested in bringing about change and making a difference, and women being less easily impressed by the status of the person making the ask – which risk painting male donors as dupes and walking egos with cash to spare.

"Readers may disagree, as I do, with the suggestion that male and female philanthropists are intrinsically different."

Personally, I am more convinced by the research which argues that, despite popular assumptions, male and female brains are remarkably alike, but the subtle sex differences that exist at birth become exaggerated through processes of socialisation. Whilst there are clear and well-documented differences between adult males and adult females, this school of thought says these are not due to the existence of any innate 'hard-wiring' but to the experience of growing up, and being treated, as one gender or the other.

Growing up as a boy or a girl and living as a man or a woman involves being immersed in a male or female culture, which influences our behaviour far more than any tiny intrinsic differences between the genders. Furthermore, our behaviour is also shaped by the actions of other people. Whilst those researching gender differences in giving tend to focus exclusively on intrinsic causal factors, the crucial external factors - most notably being asked to give – are usually over-looked. Shaw-Hardy and Taylor make a passing reference to the fact that, "research shows that few nonprofits reach out to [affluent] women" but the authors fail to run with the idea that gender differences in giving are a consequence of structural factors such as how often, and how well, men and women are asked to give, rather than as a result of 'natural' gendered philanthropic behaviour.

The aims of this book are laudable. They include parity, such that women are "at the philanthropic table" alongside men; equality, so that "women are asked for gifts as often as men" and increased visibility for female donors, fundraisers, volunteers, leaders and mentors. Whilst these goals are uncontroversial, the logic set out in this book about why and how they should be achieved is more debatable. However, the book ends with some useful resources, including exercises to undertake with potential female supporters, questions to raise with women to explore their financial and philanthropic goals, ideas for a 'women and philanthropy' event and a list of further reading on this topic.

Readers may disagree, as I do, with the suggestion that male and female philanthropists are intrinsically different, but I suspect there will be far more consensus around the proposal that women and men have been treated differently by charities and their fundraisers. Therefore the main action that is required is change amongst the askers, not the givers. It is indeed time for a gender-blind approach to philanthropy, that accords equal respect to both male and female givers, and that raises larger sums for good causes with no regard for the chromosomal make-up of their donors.

notices

by Dr Beth Breeze, publications editor

Does your money make a difference?: Good practice in monitoring and evaluation for funders (2nd edition)

Jean Ellis and Milla Gregor

This good practice guide is aimed at philanthropic funders of all types, including those commissioning through contract arrangements or through grants. This second edition of the guide has been fully revised, with the addition of new material. It explores principles, provides practical examples and includes resources and tools to improve monitoring and evaluation, and ultimately the effectiveness of funding. According to the foreword, many funders grapple with questions about what information they should collect, what the jargon means, and how they can measure their contribution to social change. Funders have a crucial role to play in the field of monitoring and evaluation, ranging from their interaction with grantees to how they use and share learning more widely with other funders. This updated guide from CES challenges assumptions that funders should always try to measure everything and that social change can necessarily be pinned down by ever more complex monitoring and evaluation frameworks. At the same time it encourages funders to take the opportunity, not only to satisfy accountability requirements through proportionate monitoring and evaluation, but to add value to its funding of the work of the voluntary sector.

London: Charities Evaluation Services. December 2010. 47pp. Free to download at www.ces-vol.org.uk/funders

Giving Well: The Ethics of Philanthropy

Patricia Illingworth, Thomas Pogge, Leif Wenar (eds)

According to the publisher, many people assume that all giving is morally good, and a private matter, to be left entirely to individual donors. This book challenges those deeply embedded assumptions about charity. The editors bring together an international group of distinguished philosophers, social scientists, lawyers and practitioners to identify and address the most urgent moral questions arising today in the practice of philanthropy. The topics discussed include the psychology of giving, the reasons for and against a duty to give, the accountability of non-governmental organizations (NGOs) and foundations, the questionable marketing practices of some NGOs, the moral priorities that should inform NGO decisions about how to target and design their projects, the good and bad effects of aid, and the charitable tax deduction.

New York: Oxford University Press USA. December 201. 320pp. Hardcover. ISBN 978-0199739073 £30

Changing lives: A report on the autism voluntary sector

Sarah Hedley and Adrian Fradd

NPC published a paper on the autism sector in 2007, A life less ordinary, since when considerable developments have occurred. Changes in policy, most notably 2009's Autism Act and the adult autism strategy, have won the attention of government departments and helped raise awareness of the condition more widely. Changes in funding mean that autism charities, like many others, are feeling the squeeze as local government commissioners attempt to cut costs and reduce fees charged to deliver services. Nearly half the charities NPC surveyed for this report expected some decrease in their fee income as a result of government spending cuts. There have also been significant changes within the sector itself. People with autism are increasingly involved with developing policy and services around their condition. The development and use of research is being encouraged, and autism charities have forged closer relationships and working partnerships. This report examines these developments and discusses their implications for the autism sector. It sets out five priorities for charities and funders to think about: helping charities to adapt to a changing environment by funding core costs; maintaining lobbying work; networking and sharing good practice; developing pilot projects to fit with new government priorities; and maintaining non-statutory services.

London: New Philanthropy Capital. December 2010. 32pp. Free to download at www.philanthropycapital.org/publications/health/autism_update.aspx

Family philanthropy: rewards and challenges

Plum Lomax, Sarah Keen and Jonathan Lidster

In this paper, NPC and Global Partnership present the results of a philanthropy survey of single and multi-family offices in the UK, conducted between March and May 2010. Family offices are a source of generous philanthropists, but little is known about their motivations, the pleasure they get from their giving or the challenges they face. The results of this survey therefore offer a rare insight into the philanthropic nature of some of the UK's wealthiest families. The survey finds that most families have had positive experiences of giving, but some complain of 'tortuous administration' and fear of being 'actively pursued by charities'. Major motivations for family philanthropy are giving back to the community and addressing needs, and the vast majority (85%) of respondents with children under 21 involve them in their giving. The survey finds that the main criteria employed in giving decisions are the charity's vision and strategy and whether it is focused on the greatest need. This paper also notes that finding information about charities is a challenge, particularly around the measurement of results.

London: New Philanthropy Capital. December 2010. 6pp. Free to download at www.philanthropycapital.org/publications/improving_the_sector/improving_philanthropy/family_philanthropy.aspx

A Year of Living Generously: Dispatches from the Front Lines of Philanthropy

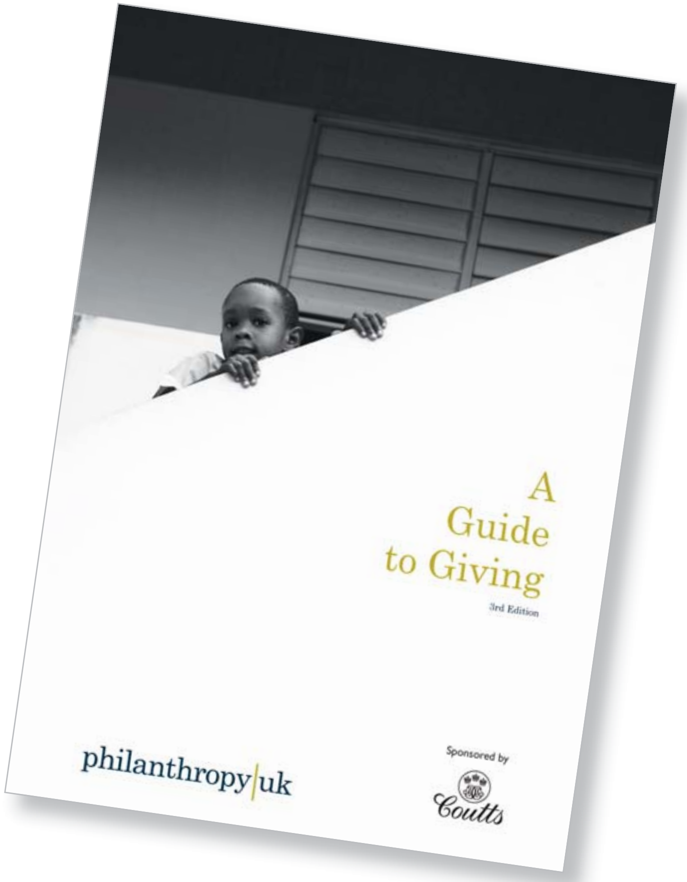
Lawrence Scanlan

According to the publishers, this book follows award-winning journalist Lawrence Scanlan as he volunteers with twelve different charities, including well-known institutions such as Habitat for Humanity, the St. Vincent de Paul Society and Canadian Crossroads. Drawing from first-hand experience – serving in a soup kitchen in Ontario, building houses in post-Katrina New Orleans and teaching at a women's radio station in Senegal - Scanlan tests the ideas and theories on global aid and philanthropy and makes a compelling case for greater commitment and real connection from us all. The result is an engaging yet informative primer for today's volunteers, young and old, who are looking to make a meaningful contribution.

Toronto: Douglas & McIntyre. April 2011. 360pp. Paperback. ISBN 978-1-55365-841-2. $19.95

A Guide to Giving 3rd edition

The essential handbook for 21st century giving



Published by Philanthropy UK with the continued support of private bank Coutts & Co, *A Guide to Giving* is a valuable and up-to-date resource for both philanthropists and their advisors that sets the benchmark for inspirational, practical and objective guidance.

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Profiles of both new and experienced philanthropists, including Sir Ian Wood, Stanley Fink and John Wates, engage readers in the journey of giving.

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