Getting the most out of giving

Katherine Barber looks at how to give more effectively

ABOUT THE AUTHOR

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'While our company pursued the venture capital that ultimately placed us in the position to be philanthropists, the life story of a voluntary group necessarily develops in a different way. I would be very reluctant to make grants based on measurements of economic efficiency, spreadsheets and quantifiable targets. There must be room for decisions that are based upon a hunch, upon mutual trust, that are at times, emotive and individualistic.'

This quote from an eminent community foundation donor is one response to the trend of applying commercial techniques to giving amongst the 'new philanthropists'. It demonstrates that philanthropy involves heart as well as head. And it can be a complex business, incorporating personal values and marked differences of approach between individuals.

Whether a charity trustee, advisor on trusts, or working with a client embarking upon their philanthropy, this begs the question of how to get the most out of your giving and ensure you are having maximum effect.

When the goal would seem to be to match donor motives with effective causes, the temptation is to treat it as a shopping trip or dating game. But in my experience at a community foundation, the greatest satisfaction (and results) come less from a purchaser-provider relationship, than a journey in which the would-be philanthropist and charity partner can, in a sense, learn to operate in common cause.

To illustrate, I would like to take you through the process a community foundation follows with donors.

Defining objectives

We start by developing an understanding of the donor's objectives and expectations. This can take time. Most often it is through the process of giving that the individual or family learns most about what they want to achieve. Through informal discussions with a new donor we explore their style of giving, and discuss the type of interventions this may lead them to support. Key questions include:

- What motivates or concerns you most?
- How involved would you like to be?
- Are you looking for immediate or long-term impact?
- What do you expect in terms of outcomes?

Investment considerations we explore include whether the aim is response to need or system change (put simplistically, charity vs philanthropy); the desired breadth of focus; type of funding; and attitude to risk.

Set a framework for analysis

These initial discussions with a donor help to build an initial strategy for their philanthropy. We then start to introduce the client to prospective beneficiaries, but critically this is just the start of the journey, not its end. We employ a mix of techniques to analyse and recommend causes to our fund-holders, or engage them in this process. This includes a detailed blueprint for assessment that incorporates need, capacity, probity and results. We have adopted elements of the New Philanthropy Capital framework 'Funding Success', to assess impact on a range of levels, and the risks to achieving those results.

Visiting those organisations in situ is invaluable, and is an important way in which the donor can develop their understanding and empathy with people who may live entirely different lives. Just as in business, successful collaboration is rooted in relationships, and meeting the leaders helps to identify if there is a match of values and trust.

Expect the unexpected

We have repeatedly found that the best results can come from the least promising quarters.

Several years ago, we received an application from a woman starting an educational project for excluded teenagers, based in a church hall in South London. There was no track record to speak of, and it was unclear how this small voluntary group could succeed where the state had not. The first request was turned down. The applicant persisted and asked us to visit. On second viewing, we took a chance with a modest sum for volunteer expenses. Five years on, Mina Mawson has developed Youth Education Support Services into an inspiring charity that has helped 247 young people to achieve over 1,000 GCSE and City and Guilds qualifications. The moral and emotional support provided goes far beyond these statistics.

Access to such 'hidden' causes and the opportunity to take some calculated risks comes from working with a wide-range of fund holders and building up a detailed knowledge of our area. Engaging the donor in this process of exploration can be a particularly rewarding part of the experience.

Embark on a journey

As with other aspects of life, in philanthropy, beauty is in the eye of the beholder. Even from the perspective of charities or prevailing need, starting 'where the donor is at' is no bad thing, provided there is a framework or support for this 'philanthropic journey'.

Three years ago, a prospective donor approached his local community foundation,

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Quartet, based in Bristol. He started with few thousand pounds, and fairly broad ideas of putting something back into his local community. A chance encounter led the community foundation director to introduce the donor to a young man who, against the odds, was embarking on Raleigh International. The donor took the trouble to meet the young man in his own community, and then provided some initial funds. The next time, they met at the donor's place of business. These meetings helped to fuel what had been an initial charitable intent, and create a passion; the donor learnt about the issues, and developed a belief in this individual. The donor has gone on to instigate a major skills and training initiative in his neighbourhood, invest in premises in which the learning takes place, whilst also working with statutory providers to tackle the shortcomings of existing provision.

A wise sage from a US foundation tells the story of an elderly lady who was passionate about her cats. The donor's first lunch with the CEO was entirely focused on her feline friends, and she was keen to ensure that her giving could be directed, with no exception, towards this cause. There were murmurs of disquiet amongst the staff team, operating as they were in a city of high racial tension and some extreme poverty. But the CEO persisted, and delivered the same high levels of donor care as they would for any supporter. The donor was delighted with the service she received, and over the years learnt more about the foundation and its work. Upon this lady's death, a selection of favourite cat charities were grateful beneficiaries from her will. But having built up a long-term relationship and mutual understanding, the community foundation also received a significant gift towards its general endowment.

Identify a partner

So for some, the intuitive analysis is key, for others, fact-based analysis holds sway, whilst many will be starting out with very little idea other than a desire to 'do good'. Understanding the donor's style of giving, and providing opportunities to ignite a passion are key to success. As an advisor to such clients, the crucial factor will be to provide a service that responds to their varied needs, whether through in-house provision or referral to a dedicated philanthropy partner.

Online tools such as *Guidestar* and *Intelligent Giving* can be useful for identifying and assessing UK charities. Philanthropy UK's online resources can point you to appropriate advisory services, including New Philanthropy Capital, The Institute for Philanthropy and individual consultants. And whatever the blend of motivations and methods, for clients interested in giving locally, the UK's network of community foundations can help.