



## The Beacon Collaborative

EMBARGOED until 0900 14 April 2020

### **New Research Shows British Philanthropy is strengthening, but the needs created by the COVID-19 crisis highlight the potential for philanthropy to do more.**

**Given the overwhelming scale of the COVID-19 crisis, government cannot tackle all the extra social problems created alone. Charities are providing critical support to help communities, and vulnerable people across society, cope. Philanthropy is in a unique position to respond in a way that complements and supports the government.**

Over the last few years, official statistics show that individual giving by wealthy people in the UK is increasing. Taking together HMRC<sup>1</sup> data on giving by those with an income over £250,000, data on contributions to donor advised funds<sup>2</sup> and the Sunday Times Giving List<sup>3</sup> suggest that among the wealthy, overall giving increased from £4.86 billion in 2017 to £5.88 billion in 2018; a 21% increase.

This growth of over £1 billion in philanthropic giving is, of course, worth celebrating. However, the global situation has changed dramatically since the research in these reports was undertaken. Estimates from the NCVO now place the loss in income for charities due to the COVID-19 pandemic at around £4 billion over the next 12 weeks.

Today the Beacon Collaborative partners release three reports focused on how to grow high-net-worth giving in the UK and improve the quality of giving. The steps that can be taken to harness more private money for public good are laid out in these reports and they are increasingly relevant for rapidly building a more effective philanthropic sector. Now, more than ever, it is clear that philanthropy and government must act as complimentary parts of the relief and rebuild effort - supporting crucial causes that needed help before the crisis, and will need more after.

These reports, delayed from their initial release due to the pandemic, provide valuable insights into the philanthropic landscape in the UK today. They demonstrate ways in which philanthropists can collaborate with all stakeholders to achieve more, which, during the current crisis, is more relevant and needed than ever. Following the guidance and advice in these reports will lead the philanthropic sector towards an impactful solution to the challenges we currently face and prepare for longer term interventions for all causes.

The reaction of British philanthropists to this crisis has already demonstrated how philanthropy is able to act with nimbleness and with flexibility to support civil society. However,

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<sup>1</sup> <https://www.gov.uk/government/collections/charitable-donations-and-tax-reliefs-statistics>

<sup>2</sup> <https://www.nptuk.org/reports/daf-report/>

<sup>3</sup> <https://www.cafonline.org/my-personal-giving/long-term-giving/sunday-times-giving-list-2019>



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if it is to help meet the significant shortfall in charitable funding then individuals cannot work in isolation.

The three reports launched today by the Beacon Collaborative and its partners are:

- **‘Collaborating for a Cause – How cause-related networks can lead to more and better giving’** from New Philanthropy Capital (NPC) covers the vital role of knowledge networks to support donors to give effectively.
- **‘The Giving Experience – Overcoming the barriers to giving among the wealthy in the UK’** from the Institute of Fundraising considers how fundraising organisations engage wealthy donors as partners in social change. This follows the recent ‘Barriers to Giving’ publication commissioned by Barclays Private Bank’s which identified a number of the key obstacles for wealthy individuals in giving.
- **‘Giving Voice to Philanthropy’** from the Beacon Collaborative identifies the need to highlight how philanthropy contributes to transformational change.

The Beacon Collaborative is an alliance of partners across the philanthropy sector with the collective goal to support a cultural change in giving among the wealthy in the UK, adding at least £2 billion a year more in high-net worth giving. This crisis demands a united, collaborative approach between philanthropists, government and civil society to solving our most pressing challenges. Now is the time to work to embed philanthropy at the heart of this fight.

An additional £2 billion in giving every year would be equal to the income of Cancer Research, Oxfam, the British Red Cross, Macmillan, the RNLI, the RSPCC and the NSPCC combined annually<sup>4</sup>. The enormous difference that this would make to those most in need and the general welfare of the population is higher than the purely financial value. Blending quantitative research, best practice examples and systemic improvements, the Beacon Collaborative partners are seeking to provide donors with the resources they need to ensure their giving is impactful and rewarding.

**Matthew Bowcock**, Founder of Beacon Collaborative, said,

*“We believe that philanthropists can and want to be part of the solution. We are today releasing reports which demonstrate not only that there is untapped giving in UK by wealthy individuals, but also how the philanthropy and fundraising sectors can work together to encourage donors to get the most out of this rewarding way of life.*

*Almost all wealthy people engage in charitable giving, but they need to be supported to do more. They want to be seen as partners to the organisations they support and fundraising organisations can find ways to engage them as peers. Networks are particularly important*

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<sup>4</sup> The 2018 total for these organisations was £2.05 billion according to data on the UK Charity Commission website.



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*to make sure philanthropists are not working in isolation and have access to the knowledge and best practice they need to increase their impact. Indeed, as a society we need to understand and promote philanthropy in its true context; not as the contribution of one individual, but as an outcome of strategic partnerships and collaboration.*

*This has never been more crucial than at this time of national need. It's time for philanthropists to do their bit, quickly and effectively, and these findings give guidance on how to do that in the most potent way.*

*Philanthropists have a role to play in relief and rebuilding from this crisis but also must consider the underlying issues and ensure that the charity sector is supported as a whole so that it is still there when we need it afterwards.*

*This research is a springboard for the Beacon Collaborative's next steps to strengthen the philanthropy sector and maintain the upward trend in giving by wealthy individuals in the UK."*

The Beacon Collaborative is funded by Arts Council England, City Bridge Trust, Hazelhurst Trust, Pears Foundation and Reekimlane Foundation. These organisations share the goal to achieve resilience and sustainability for the non-profit sector in an era when private donations are becoming an increasingly important source of capital for civil society.

**Sir Nicholas Serota**, Chair, Arts Council England emphasised the importance of Beacon's work:

*"Philanthropy is crucial for the cultural sector – it enables work that otherwise would not be possible, and helps to strengthen bonds between organisations and the communities they serve. By investing in this research we hope to develop a better understanding of what encourages people to give and stimulate more effective fundraising across the cultural and creative sectors as well as other charitable sectors."*

The partners that work with the Beacon Collaborative include the Association of Charitable Foundations, Barclays Private Bank, Big Society Capital, Charities Aid Foundation, EY, Institute of Fundraising, New Philanthropy Capital, Philanthropy Impact, The Philanthropy Workshop and UK Community Foundations.

**Emma Turner**, Director of Philanthropy Services, Barclays Private Bank spoke of the launch:

*"We are delighted to partner with the Beacon Collaborative to support individuals and organisations overcome major barriers to giving. The reports launched today offer an insightful view into the world of philanthropy and we believe they will help deliver real, positive change in the sector."*

### Key findings from the research

#### **Collaborating for a Cause:**



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- A network should take a long-term system-wide perspective that considers the root causes of a problem, the various actors working on the issue, and the barriers and opportunities for change.
- A network should support and increase collective impact. It should encourage the diffusion of ideas and learning and increase its resilience and adaptive capacity by ensuring equal voices to all and participation from a variety of stakeholders.
- To create a network, founding members should consider:
  - What is the network's core purpose? How can we align members around the cause? How do we stay relevant?
  - Who are the stakeholders that are needed to achieve impact?
  - How can we understand the network's impact and improve the activities?
  - How can members be enabled to increase the effectiveness of their giving and achieving greater impact on the cause?

**Katie Boswell**, NPC Associate Director (Strategy & Leadership), author of the report said:

*“Cause-related networks offer unique opportunities for impactful giving. By independently bringing philanthropists together around one goal, they motivate people to give more and better, strengthening people’s capabilities and creating opportunities to give. Our research found that networks are most effective when they are inclusive, trusted, and embedded in the issue they seek to solve.”*

### **The Giving Experience:**

- Many wealthy individuals are motivated by a sense of belonging and shared purpose. They want to be part of the effort to achieve positive change. Fundraisers need to include them as partners and peers, building relationships based on mutual respect.
- Fundraisers need to continue to encourage entry-level giving and welcome new donors to the table, recognising that trust is a complex issue built up over time and multiple interactions.
- Fundraisers also need to recognise that wealthy people are not a homogenous group. Donor segmentation offers a powerful tool to support fundraising organisations to meet the needs of different groups of donors in more systematic and efficient ways.
- Fundraising organisations need to be supported by the wider context. The negative public discourse on giving and the limited availability of wealthy advice to support major donors equally contribute to a weak environment for giving among the wealthy population.

**Cath Dovey**, co-founder of the Beacon Collaborative and author of the report said:



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“In an era of rising demand, more fundraising organisations are recognising the importance of private donations for their organisational resilience. Private capital often has fewer constraints than other sources of funding and can be less sensitive to political and economic transitions.

This research shows that wealthy people in the UK want to engage as partners and peers to support positive social and environmental outcomes. Fundraisers have a vital role to play in supporting them on that journey.”

### **Giving Voice to Philanthropy:**

- The value of philanthropy is not just in the contributions of one individual but, rather, in the outcomes of strategic partnerships and collaboration.
- A network of influencers able to communicate the impact of philanthropy on communities today and its potential for the future will increase the positive image of philanthropy.
- Coordinated educational programmes are required for philanthropists, wealth advisers, fundraisers, and leaders of civil society organisations.
- Peer to peer networks for philanthropists are invaluable in enabling philanthropists to learn directly from the experience of others.

**Andrew Watt** of Third Sector Strategy, researcher and lead author of the report said:

*“Talk of philanthropists inevitably defaults to one dimension - numbers of zeros; the size of gifts, rather than what philanthropic partnerships actually achieve.*

*With this report, we hand the voice to the philanthropists; describing what motivates them, what they feel about what they do - most particularly, what they think remains to be achieved, the tools they need and the road map to arrive there.*

*Philanthropists come from across our communities and in today’s world are from backgrounds as varied as the beneficiaries they serve. Their heritage, connections and experience are as important to the success of the projects they support as the financial investment they make in them.*

*The recommendations we make are intended to outline the platform philanthropists and their community partners say they need for success.”*

[Date]

**ENDS**

*For further information please contact:*

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### *Notes to editors*

Links to webpages to follow.

**Social Media tags** - #BeaconPhilanthropy and #GrowingGiving

**The Beacon Collaborative** is a collective impact movement bringing together philanthropists, organisations and foundations that share a common aspiration to increase philanthropy and social investment among the wealthy in the UK. The mechanism is a collective work plan of activities aimed at encouraging wealthy individuals to use more of their private assets for public good. The goal is to attract £2 billion more in donations to good causes and social investment by 2025.

The Collaborative partners currently include Arts Council England, Association of Charitable Foundations, Barclays Private Bank, Big Society Capital, Charities Aid Foundation, City Bridge Trust, EY, Hazelhurst Trust, Institute of Fundraising, New Philanthropy Capital, Pears Foundation, Philanthropy Impact, Reekimlane Foundation, The Philanthropy Workshop, UK Community Foundations.

This research was grant funded by City Bridge Trust and National Lottery funding through Arts Council England.

**Arts Council England** is the national development agency for creativity and culture. By 2030 we want England to be a country in which the creativity of each of us is valued and given the chance to flourish and where everyone of us has access to a remarkable range of high-quality cultural experiences. Between 2018 and 2022, we will invest £1.45 billion of public money from government and an estimated £860 million from the National Lottery to help deliver this vision.

**City Bridge Trust** is the funding arm of Bridge House Estates, the 7th largest charity in the UK. Established in 1990, it provides grants totalling around £25m per year to help reduce inequality and grow stronger, more resilient and thriving communities in London. The City of London Corporation is their sole trustee.

We would also like to acknowledge the invaluable support of Pears Foundation, Reekimlane Foundation and Hazelhurst Trust whose funding supports the work of the Beacon Collaborative.

**New Philanthropy Capital (NPC)** is a charity, think tank, and consultancy to the social sector. Over many years we have worked with charities, funders, philanthropists, businesses and



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others, supporting them to deliver the greatest possible impact for the causes and people they serve. NPC has a unique position in the sector, emphasising learning and improvement through our thought leadership. We share the sector's passion for changing lives, to which we bring the rigour, clarity and analysis needed to better achieve the outcomes we all seek. Through practical advice and innovative thinking, we help charities go further. We bring the work of charities and funders together, improving understanding and enhancing their combined impact.

**The Institute of Fundraising (IoF)** is the professional membership body for UK fundraising. We support fundraisers through leadership and representation; best practice and compliance; education and networking; and we champion and promote fundraising as a career choice. We have over 6,000 individual members and over 600 organisational members who raise more than £10 billion in income for good causes every year. [www.institute-of-fundraising.org.uk](http://www.institute-of-fundraising.org.uk)

**Association of Charitable Foundations (ACF)** is the membership body for UK foundations and grant-making charities. Driven by a belief that foundations are a vital source for social good, our mission is to support them to be ambitious and effective in the way that they use their resources. We do this through the provision of policy and advocacy, research and information, and a wide-ranging programme of events and learning. Our 380 members collectively hold assets of around £50bn and give over £2.5bn annually.

**The Charities Aid Foundation (CAF)** is a leading international charity registered in the United Kingdom, with nine offices covering six continents. We exist to make giving go further, so together we can transform more lives and communities around the world. We are a charity, a bank and a champion for better giving, and for over 90 years we've been helping donors, companies, charities and social organisations make a bigger impact. We are CAF and we make giving count.