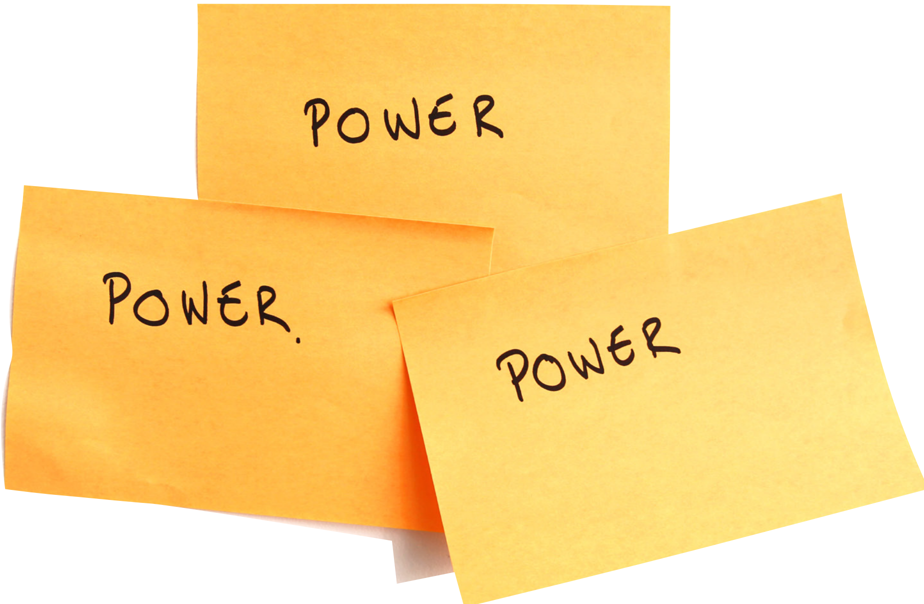
Thematic Drivers of Future Change

What is clear from all our discussions is that we are seeing a fundamental shift in when we give, how we give, how we receive and how change is created through philanthropy. Although some points discussed during the workshops were specific to individual locations, across our discussions we found three thematic drivers of change: Power, Knowledge and, inherent to both of these, Trust.



Theme 1: Power

Exerting power and influence to create positive change has always been a key element of philanthropy. As we move into the fourth industrial revolution, defined by globalisation and digital technologies, we are witnessing increasing fluidity over who holds power and influence and how it is exerted. Philanthropy, particularly how it is managed and regulated, is part of that power mix.

The Role of the State

Broadly speaking state involvement in philanthropic initiatives was viewed in two ways in our workshops. In Dubai, for example, it was seen as helpful, providing leadership, clarity of direction and a beacon for collaboration. However, others felt government interventions were too controlling and constraining, prioritising some issues and dismissing others and often suppressing the wishes of civil society.

Political upheaval and economic insecurity has seen many governments in the West reduce and redirect their spending on both public services and foreign aid. In some cases, charities and private donors are plugging the gaps with the provision of food banks, health care and even housing. The US National Council on Non-Profits believes that the 2018 State of the Sector Survey produced by the Nonprofit Financial Fund will show that there has now been an increasing gap between state provision and the needs of communities for a decade. The Red Cross is among a number of organisations that have been running food banks both in the UK and the USA– despite being two of the richest countries in the world, dramatic policy changes have resulted in an increase in the number of people in need of help.

Some in our workshops believe that elected representatives should take a more interventionist approach to this. They argue that those accountable under the democratic system should safeguard key services for the vulnerable such as health and medicine, rather than shift the burden on to independent, unaccountable organisations – however well-meaning – to prop them up. Others also pointed out that it would be unwise for governments to become over reliant on continuous support from the third sector. Some charities also resent what they see as the need to make up for government failure to address its most basic of responsibilities. Bill Gates, among others, has already warned that organisations like his are "absolutely not" prepared to fill the holes in public spending that are the result of changes in government policy.[iv]

Globally governments are taking increasingly innovative approaches to plugging the funding gap. Introduced in 2014, India's 2% Corporate Social Responsibility (CSR) tax is often cited as one of the world's most interesting experiments to promote private philanthropy. This has made it mandatory for corporations with revenues of more than 10 billion rupees (approximately $131 million) to give two percent of their profits to charities. Essentially the objective is to push India's corporate sector to provide the seed capital and philanthropy to find solutions to India's most challenging problems in areas such as education, healthcare, the environment and skills development. However, while hailed as ground-breaking in intent, many have been critical of its implementation; Australia's Deakin University reported, "Our analysis shows that the law in its current form is failing to promote CSR activity. Its poor design and lack of clear obligations, set in a milieu of poor law enforcement, is also not generating an ethical obligation to obey the law in spirit."

Whatever you think of its effectiveness, and many would agree it is cumbersome, this initiative sets precedent which others might well follow. A number of governments are studying its success and failure and, looking ahead, a more refined version may well emerge – either as an evolution in India itself or as a new initiative in another quarter.

Another example of State influence is the UAE's 2017 The Year of Giving. In its own words, "The UAE National Strategy for the Year of Giving is a comprehensive plan to institutionalise humanitarianism in the public and private sectors. It stems from a vision to consolidate humanitarian work and establish the UAE as the most philanthropic country in the world." Initiated by the President, His Highness Sheikh Khalifa bin Zayed Al Nahyan, and supported by the UAE Vice President and Prime Minister and Ruler of Dubai, His Highness Sheikh Mohamed bin Rashid Al Maktoum, the 2017 Year of Giving policies provided a comprehensive framework for philanthropy through initiatives, strategies and programmes intended to celebrate the virtues of giving and cement philanthropy into the heart of the nation. There are, however, other views of this. In several of our workshops the approved UAE shortlist for giving was highlighted as an example of excessive state influence. As one participant pointed out, "If your charity is not on the shortlist then either you are forbidden from giving or if you do give, via, for example, the Red Crescent, then there is a 30% to 50% handling fee for the transaction."

Not all governments have been keen to stimulate private and corporate philanthropy. The Hudson Institute's Index of Philanthropic Freedom provides a fascinating insight into philanthropic freedom across the world. By examining barriers and incentives for individuals and organizations to donate money and time to social causes, the Institute's Center for Global Prosperity measured, ranked, and compared 64 countries on their ease of giving and identified a number of themes which have shaped philanthropic freedom. These include; the unintended consequence of foreign exchange regulations, IFF legislation and more deliberate attempts to legislate against foreign intervention – as illustrated by Russia's foreign agent law.

Sometimes legacy regulation makes it difficult even for local donors. While certainly not the worst in the world, giving to causes of their choice has been a challenge historically for Chinese philanthropists. This may explain why the China Philanthropy

Research Institute estimates that 80% of the top 100 philanthropists from mainland China's donations go to overseas charities. Many may well have preferred to give to local causes, but hitherto regulations have hindered the development of philanthropy at home. In addition, other than a generous spirit there were not many incentives to give, so until recently not-for- profit organisations had few if any tax benefits and were obliged to have a government partner, which inevitably curbed autonomy. Today, things are beginning to change. The government is now more open to the benefits of philanthropic support from business and individuals and China's first-ever Charity Law, was put in place in 2016, to ease restrictions on fundraising and operational activities of charity groups. Also in 2016, the Ministry of Civil affairs approved 13 charitable organisations online philanthropy forms. Among these was Tencent Philanthropy, now well-known as part of the online platform Tencent's 9/9 Day of giving. This has gained widespread public support. The 2017 Day of Giving, which actually takes place over 3 days, generated of 1.3Bn RMB of donations of which came from public donations, 23% from the Tencent Foundation and 14% from social enterprise. Overall almost 13m donors made contributions to over 6,400 charitable projects.[VI] These changes may herald an increased mainstreaming of philanthropy in China.

Insights from Dubai

A final note. Some participants also observed the increasing difficulty of moving philanthropic funds across borders (e.g. in Egypt and Pakistan) as a result of increased Government legislation. Often philanthropy is inadvertently being unnecessarily embroiled in wider anti-money laundering (AML) or finance of terrorism (CFT) rules. Whatever the cause, finding ways to increase the global liquidity of legitimate philanthropic flows can only be a good thing.

Corporate Philanthropy Blurring the Lines

Corporates are not only giving more but they are also increasingly doing it in different ways, blurring the lines between "who does good" and "who drives profit". According to data from Philanthropy outlook, corporate giving in the US has grown at 1.6x the rate of individual giving over the last 40 years, with average annual growth running at 5.9 per cent. Clearly, despite the oft-quoted argument made by Milton Friedman in a 1970 New York Times Magazine article, that the, "... one social responsibility of business... [is] to increase its profits," more and more corporates are involved in philanthropy. Usually, the type of giving involved consists of numerous small cash donations to aid local causes or the provision of operating support to well-established national charities, made in the belief that this generates goodwill among employees, customers, and the local community. Beyond this, some enlightened businesses are extending their definition of what doing good means to find opportunities to help to address society's problems. Reflecting Porter & Kramer's concept of shared value, some are aligning their philanthropy with issues close to their brand, for example Barclays in financial education, the outdoor apparel retailer Patagonia on environmental causes and the like. Looking ahead and from a sector standpoint, many in our workshops believe that companies will make the most impact by focusing their donations on initiatives which address the social topics aligned with their current way of doing business, for example carbon (transport and housing), inequality (finance), diabetes and obesity (food), human and workers' rights (retail).

> The lines between purely for-profit and purely non-profit efforts, or "who does good" and "who drives profit", are blurring, many believe with wider beneficial impact.

It's perfectly easy to see that this new burst of interest in corporate responsibility is self-serving, providing useful PR opportunities and increasing employee satisfaction levels at comparatively low cost. But it is also effective. Companies often have unique capabilities – distribution fleets, huge social media audiences, not to mention public trust in their ability to actually meet targets in a timely and cost-efficient manner. All this puts them on the front foot when they begin to build philanthropy into their underlying business model. And the interest runs both ways; galvanised by the Sustainable Development Goals and the realisation that meeting them requires harnessing private capital and creating durable private sector solutions, increased collaboration with business is seen as a key imperative both for government and philanthropic donors going forward. On top of this, businesses are well positioned to act as social change incubators through non-profit partnerships, can offer prize philanthropy and, with greater focus, deliver socially conscious business models.

One impact of this of this increased cross-sector collaboration is that the lines between purely for-profit and purely non-profit efforts, or "who does good" and "who drives profit", are blurring,

Corporate Social Responsibility and Corporate Shared Value, Porter & Kramer

CSR

- **Values: doing good**
- **Citizenship, philanthropy, sustainability**
- **Discretionary or in response to external pressure**
- **Seperate from profit maximization**
- **Agenda is determined by external reporting and personal preferences**
- **impact limited by corporate footprint and CSR budget**

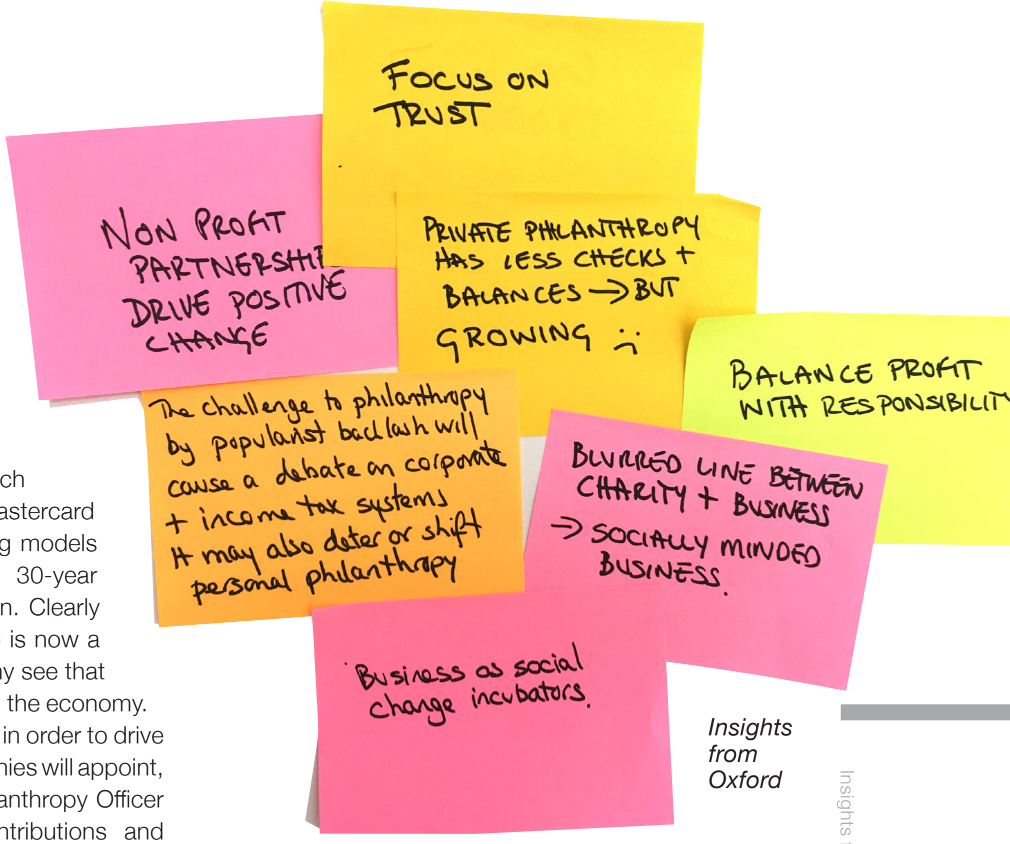
Example: Fair trade purchasing

CSV

- **Values: economic and societal benefit relative to cost**
- **joint company and community value creation**
- **Integral to competing**
- **Integral to profit maximization**
- **Agenda is company specific and internally generated**
- **Realigns the entire company budget**

Example: Transforming procurement to increase quality and yield

[Source: https://hbr.org/2011/01/the-big-idea-creating-shared-value] many believe with wider beneficial impact. Driven by top-down support from company boardrooms such as Unilever, Patagonia and Tata, alongside bottom-up employee momentum, philanthropy through initiatives such as matched funding and community events, is becoming an integral part of broader social change, whether it be delivering new programmes such as the collaboration between Mastercard and DataKind or supporting existing models such as Johnson & Johnson's 30-year collaboration with Save the Children. Clearly Social Return on Investment (SROI) is now a core part of more agendas and many see that it has an increasing role in reshaping the economy. A few in our workshops foresee that in order to drive broader social change, more companies will appoint, as Salesforce.com has a Chief Philanthropy Officer who both ensures sustained contributions and coordinates activities across foundations, pledges, industry initiatives and employee-driven actions.



Insights from Oxford

There is always a "but" however. A trusted brand remains essential. Some industries have been permanently damaged by past behaviours: There is widespread concern about pharmaceutical support for academic research despite the obvious advantages of drug development mechanisms and commercial expertise pharmaceuticals companies can bring to such collaborations; an oil company may well want to support the arts or improve the living conditions for vulnerable communities, but such is the sector's poor reputation it may be difficult for the recipient to accept. Even household brands can fall foul of public distrust.

Walmart gives away over $1bn in cash and product annually – but it's still viewed as one of the world's least responsible companies, and is a continual target of boycotts and protests.

That said, some brands have been able to make a huge contribution to society at the same time as running a highly profitable commercial operation. Take Unilever whose foundation is, "dedicated to improving the quality of life through the provision of hygiene, sanitation, access to clean drinking water, basic nutrition, and enhancing self-esteem". The company works with and funds initiatives alongside organisations such as Oxfam and the World Food Program. Given that a large proportion of its business is in the provision of personal care such as soaps and toothpaste, and home care such as water purifiers and toilet cleaning products, supporting these causes it is a case of business objectives marrying well with added public good.

And yet the road is not always a smooth one, even for the likes of Unilever. Consider for example the conundrum if, as happened in Cambodia, the best sanitation solution for a rural community is to have dry toilets that do not need Unilever's products to keep them clean.

Looking forward, as the balance of power shifts away from corporate philanthropy into the hands of private individuals, the frequency of dilemmas such as these may decline – but so too may the transparency around money flows and the accountability of donors. Certainly, the line between private and corporate philanthropy is becoming increasingly blurred.

The Global Elite - changing philanthropic flows

According to The Guardian, commenting on the latest UBS / PWC "Billionaires Report", "the world's super-rich hold the greatest concentration of wealth since the US Gilded Age at the turn of the 20th century, when families like the Carnegies, Rockefellers and Vanderbilts controlled vast fortunes."[viii] Today the global elite are an international crew. And, as the centre of economic power shifts eastwards, Asian billionaires are beginning to outnumber their American counterparts and are expected to overtake them in financial clout by 2021.

From a philanthropic perspective, the good news is that increasingly, high net worth individuals (HNWIs) are prepared to donate both time and money to good causes. Melissa Berman, president of Rockefeller Philanthropy Advisors, a non-profit philanthropic advisory firm puts it, "wealthy people who are getting engaged in philanthropy also want to be knowledgeable about the issues that they care about. They really want to take a deep dive and spend their time and their energy, as well as their money."[ix] This is particularly noticeable in the US where a flurry of billionaires have committed extraordinary resources to solving global issues.

However, some are sceptical of this largesse – particularly in light of the highly publicized tax controversies that have plagued the tech sector. Although there are extremely attractive tax incentives that encourage philanthropic giving, particularly in the US, it is worth remembering that rich people don't need to donate money; generally they can protect themselves from the world's worst outcomes and many do just that.

Those who choose to give, do so significantly. The Gates Foundation has donated $28 billion, Warren Buffett has contributed similarly, and the Chan Zuckerberg Initiative has earmarked US$3 billion to, "cure, prevent or manage all disease".

Billionaires are also encouraging other billionaires to "do the decent thing". The Giving Pledge, founded by Warren Buffett and Bill and Melinda Gates, is this century's version of "The Gospel of Wealth". Established in 2010, it asks the world's richest individuals to commit to give away more than half of it away.

Large scale giving is increasingly a global phenomenon. Overall the Wealth X 2017 report suggests that, it continues to grow at the predicted rate, an additional US$260bn could be in play for philanthropic causes in the coming years. It seems the rate of giving is also increasing – there has been a sharp rise since 2011. In North America, perhaps incentivised by tax benefits, in 2015 the average lifetime charitable giving amongst this cohort represents 12% of their net worth. Other geographies are catching up; in Asia Pacific it is 10% and 9% in Europe, the Middle East and Africa.

As prosperity in the emerging economies continues to develop, countries that in the past have been the recipients of giving are now creating their own philanthropists. For example, Africa has around 165,000 super-rich people collectively worth over $660 billion. They have initiated a western-style, formalised philanthropy network across the continent. Aliko Dangote, the Continent's richest man, is taking the lead in encouraging Africa to help herself. He has already signed a pledge committing to give away a majority of his wealth to charitable causes. His Dangote Foundation is active in health, education and disaster relief.

India is also experiencing exponential growth in philanthropic giving with funding from private individuals recording a six-fold increase in

Growing ambition of global elite:

Tech pioneers in particular epitomise a new breed of philanthropist and have been tackling major challenges such as curing disease, combating world hunger and preparing for the impacts of epidemics, natural disasters and climate change. Philanthropic impact for many in this group is not just about writing a cheque, but also galvanising their considerable corporate resources and networks to help tackle major issues quickly and efficiently. However, although laudable in its intent, such is the scale of their ambitions and their perceived lack of accountability, some wonder whether this level of mega philanthropy is leading to an over concentration of power in the hands of a few.

Growing involvement of the global elite:

Extremely wealthy people who identify as philanthropists are shaping much of the social, political and even economic agenda. Some such as Warren Buffet, through his gifts to the Bill and Melinda Gates Foundation and Susan Thompson Buffet Foundation, do this overtly by promoting democratic values across the world, others such as Elon Musk use innovation to kick start brave new initiatives; he is a director of the X-Prize Foundation, which supports competitions to promote advances in clean energy. Until recently most of the global elite were from the US but increasingly this is no longer the case; they are also found in Africa and the East.

recent years.[x] Funds contributed by individual philanthropists have been steadily rising, growing faster than funds from foreign sources and funds contributed through corporate social responsibility. Some argue it is not before time, despite these great improvements and progressive government schemes such as Beti Bachao Beti Padhao, which focuses on female education, and Jan Dhan Yojana which promotes financial inclusion, there are still significant developmental barriers. Conservative estimates indicate that India will face a financial shortfall of approximately INR 533 lakh crore ($8.5 trillion) if it is to achieve the SDGs by 2030.

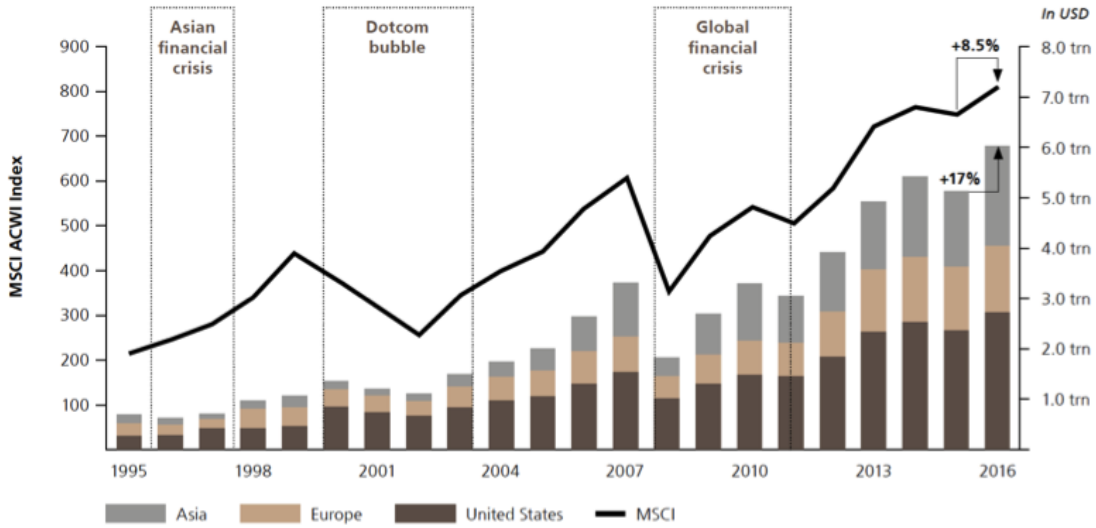
Many are working to address this – both in India and beyond. Indeed, it was observed in our London workshop which was hosted by the British Asian Trust and focused on the philanthropic role of the diaspora community, that as the centre of wealth shifts both East and South, and the international development budgets of the West continue to decline, the rich Asian and African diaspora, many of whom have retained strong connections, are placing an increasing amount of their philanthropic endeavours on their homeland in order to help others benefit from the opportunities they were given. The growing availability of new technology platforms, an increasingly global workforce and the ability to more easily target and engage with potential donors, will all continue this trend.[xi]

The rich Asian and African diaspora, many of whom have retained strong connections, are placing an increasing amount of their philanthropic endeavours on their homeland.

UBS / PWC Billionaires report

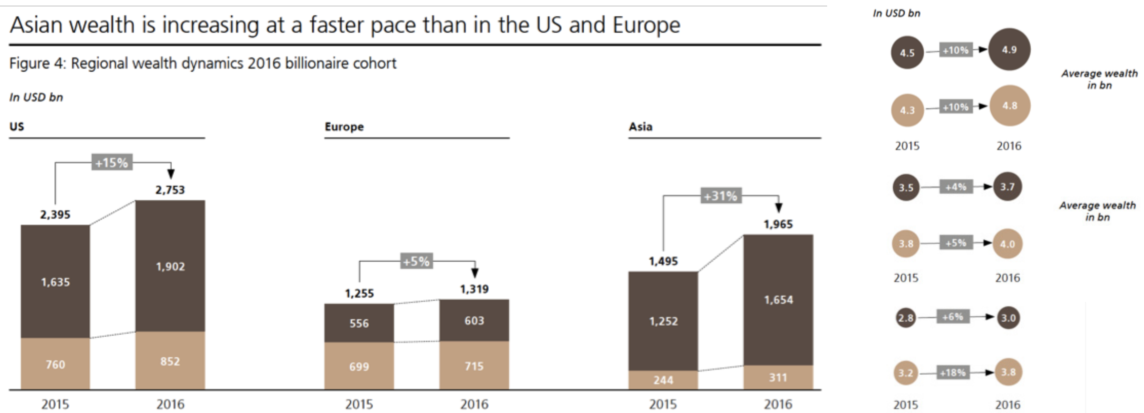
Billionaire wealth outperforms MSCI AC World Index in 2016

Figure 1: Wealth development of billionaires across the regions 1995–2016



Asian wealth is increasing at a faster pace than in the US and Europe

Figure 4: Regional wealth dynamics 2016 billionaire cohort



[Source: https://press.pwc.com/Multimedia/News-releases/All/ubs---pwc-billionaires-report-2017/a/34643eeb-7150-42a0-9cec-edac04bec92e]

Tech philanthropist mind-set - Big Bets

Nowhere is the impact of the new mind-set more evident than when we consider today's tech philanthropists. Rather than wait for proposals to come to them, they actively seek places to put their money. Having had phenomenal, world changing business success many are now focusing their attention on making it a better place. Unsurprisingly they prioritise speed and rapid impact. Bill and Melinda Gates define themselves as "impatient optimists working to reduce inequality". Again, this is not just an American phenomenon: Jack Ma in China, HCL founder Shiv Nadar and Infosys co-founder Gopalakrishnan in India are all examples of the new tech philanthropist, and in Europe, Virgin founder Sir Richard Branson has promised to invest in "entrepreneurial approaches to help make a difference to the world".

Determined to see results in their own lifetimes, tech philanthropists are more willing to make big, often risky bets, with a focus on solving problems rather than serving needs.

Determined to see results in their own lifetimes, tech philanthropists are more willing to make big, often risky bets, with a focus on solving problems rather than serving needs. Wealth gives them the freedom to take risks. The Silicon Valley philanthropists, Facebooks's Dustin Moskovitz and his wife Cari Tuna, founders of Good Ventures have chosen to fund projects intended to mitigate potential global catastrophes, such as disease epidemic, biological warfare and the threats posed by advanced artificial intelligence. Lack of accountability to an electorate or shareholders makes failure perfectly acceptable. Indeed, the couple acknowledge that many of the projects funded by Good Ventures will not succeed, and are comfortable with that. "I actually expect that most of our work will fail to have an impact, and that is part of doing high-risk philanthropy well," Ms. Tuna has said.

A key component of the growth of big-bets philanthropy has been the emergence of higher risk innovative finance mechanisms that aim to provide risk capital to help reduce the $2.5 trillion annual funding gap needed to achieve the Sustainable Development Goals in developing countries alone. Diverse examples of this include the Rockefeller Foundation's Zero Gap initiative, the MacArthur 100 & Change challenge and The ImPact that aims to inspire super-wealthy families to make more impact investments more effectively. An example that captured media attention in 2018 was the Seychelles Governments protection of 210k sq m of the Indian Ocean in exchange for writing off some of its national debt. The finance came from several high net worths including Leonardo di Caprio working with The Nature Conservancy.

Despite all these good intentions some argue that all this is tokenistic, designed to take the focus away from past misdemeanors. Of particular irritation are the issues around tax, both from a payment perspective and also the suggestion that the tax breaks afforded to philanthropists may well be depriving the public sector of money that should be used to provide public services. Mark Zuckerberg and Pricilla Chan's pledge to use 99 percent of their Facebook shares to make the world a better place has come under particular criticism in this regard. Their creation of a limited liability

A sense of urgency: For an increasing number of philanthropists creating a legacy is no longer a priority and the focus has turned towards making an impact now. Some charitable foundations, many originally based on the idea of providing funding in perpetuity, are increasing their rate of spend and impact. In extreme cases, there is a shift of focus from maintaining and growing their endowment to committing to spend down; examples include the John Merck Fund in the US and the Gatsby Charitable Foundation in the UK.

The Rockerfeller Foundation's Zero Gap Initiative

Working at the intersection of finance and international development, Zero Gap is an example of how the development community can support and de-risk new and innovative financing mechanisms— including financial products and public- private partnerships— to mobilise large pools of private capital that have the potential to create out-sized impact. Employing a venture philanthropy model, the Zero Gap work supports early-stage research and design and leans heavily on collaboration and experimentation with both private and public sector partners. Zero Gap is focused on solutions that can ultimately catalyse large-scale capital from institutional investors, as well as household and retail investors.

company (LLC), the Chan Zuckerberg Initiative, rather than a charitable foundation as a base for donations is a relatively unusual step. LLCs offer greater control to the philanthropist but are less transparent than foundations because there's no obligation to provide information about their charitable work or its effectiveness. LLCs are free to invest their funds however they wish, including towards political causes. Avoiding both taxes and oversight, alongside continued allegations around Facebook's lack of transparency on corporate tax, has, for some, tarnished what otherwise would be one of the largest philanthropic pledges in history.

Some applaud these initiatives and point out that, because the super-wealthy and foundations are free of the constraints of regular reporting and so on, they can 'crack on' and in so doing find solutions to long term problems faster and more easily that governments or even corporates. Indeed, they argue, this approach might just be one of the best hopes for solving systemic problems such as the spread of disease, poverty and climate change or shorter-term, unpopular issues that may otherwise be ignored.

Others are not so sure and are concerned that, as the ambitions of these new philanthropists grow, so too does their influence. Having made their fortunes in creating social networks and building technology empires, whether we like it or not, soon these very same billionaires may have extraordinary unaccountable influence over all aspects of our lives from medical research, to education, to the delivery of social policy, politics and even the management of climate change.

Given their tendency to support women's advancement, look out for a ripple effect. By helping other women succeed in the global economy female philanthropists are building the next wave of female donors.

In India the response has been to clampdown on an NGOs' ability to assert control over decision making in key policy areas. The country has also ordered the dismissal of dozens of foreign-funded health experts working on public welfare schemes. A unit of the Gates Foundation - funded Immunization Technical Support Unit (ITSU), which provides strategy and monitoring advice for New Delhi's massive immunisation programme that covers about 27 million infants each year, will now be funded by the government.

The Role of Women

Alongside the tech philanthropists, women are having an increasing influence in the field of high impact giving. Historically women have always been associated with good causes but recently we can see that they are changing where money is spent and there is a greater focus on helping other women. Some suggest that the number of female HNW philanthropists is accelerating not just because of the key underlying driver, that more women now control more wealth, for example 45% of

Limited Liability Companies

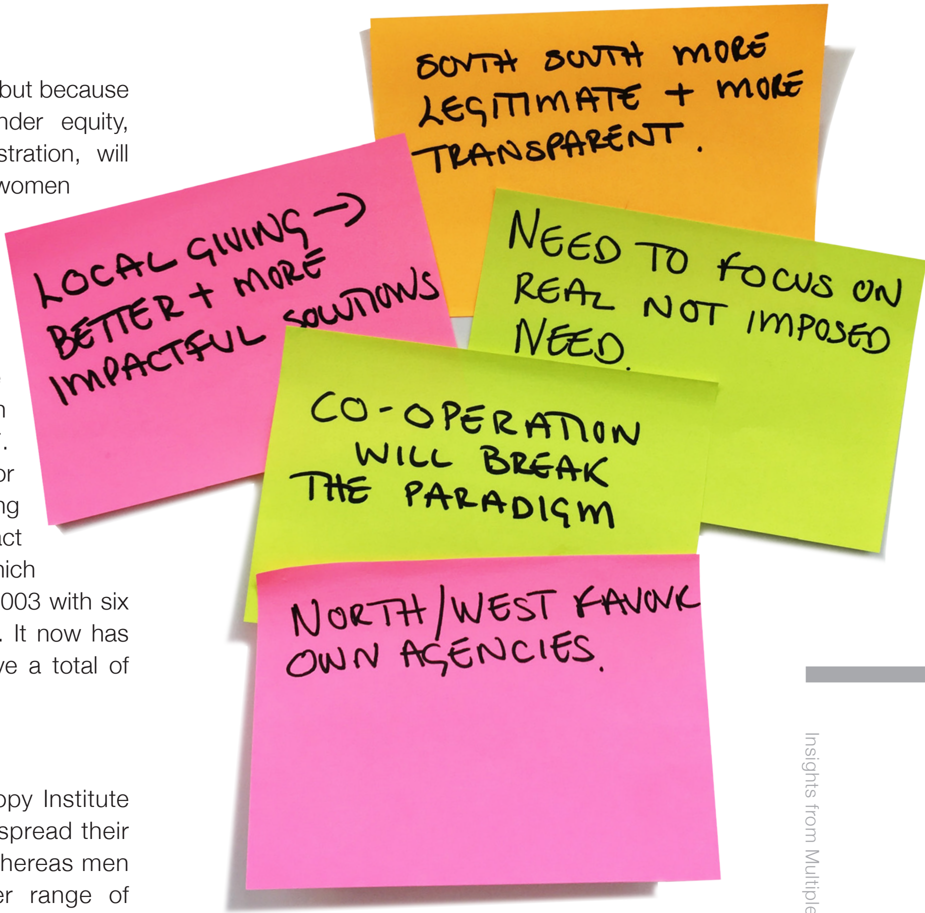
The scale and impact of some high-profile philanthropists including Mark Zuckerberg and Priscilla Chan, Pierre and Pam Omidyar and Warren Buffet has captured headlines and set ambitious goals for others to follow. Among this cohort there's a growing trend to create limited liability companies (LLCs) —such as the Chan Zuckerberg Initiative—rather than charitable foundations (a legal category of non-profit in the US) as a base for donations. LLCs offer greater control to the philanthropist although they don't share the same tax benefits. They are less transparent than foundations, because there's no obligation to provide information about their charitable work or its effectiveness. LLCs are also free to invest their funds however they wish, including towards political causes.

American millionaires are now women, but because many expect the new threats to gender equity, particularly under the Trump administration, will quicken the pace at which wealthy women choose to take a stand. A direct consequence of this is an increase in the number of women's funding networks. Women Moving Millions, a global community of mainly women donors, has more than doubled in size since launching, from 102 members in 2007 to 250 in 14 countries in 2017. Donors each give or pledge $1m or more to initiatives focused on advancing women and girls. Elsewhere, Impact Austin, a US giving circle — in which donors pool their funds — started in 2003 with six women, each donating $1,000 a year. It now has about 500 female members, who gave a total of $5m to charities in 2015.

According to the Women's Philanthropy Institute at Indiana University women tend to spread their giving across several organisations whereas men typically concentrate on a narrower range of charities. Women are also more likely to volunteer — and volunteer more hours — than men. More modest by nature they also are inclined to take a low-profile role so their names are less likely to be prominent. Given their tendency to support women's advancement, look out for a ripple effect. By helping other women succeed in the global economy female philanthropists are building the next wave of female donors.

Local and Community Philanthropy

Coincident to the large-scale focus on causes rather than communities, we are also seeing a growing belief in grass-roots philanthropy initiatives. Community foundations, women's funds, environmental funds and other local grant-makers have all appeared in countries as diverse as Romania and Zimbabwe, Vietnam and Mexico. They have been shaped both by context and culture, and by individuals who are often distrustful of the relentless rise of globalisation.



Insights from Quito

Many of them are frustrated by the failures of traditional development aid, anxious about the sense of alienation and disenchantment in their communities that this has generated. They believe that without local resources, local leadership and local buy-in, development projects will be unable to deliver long term benefits. Although sometimes initially funded by an external grant, they all seek to build a culture of local philanthropy - and they deliberately use community grants as a way to strengthen and invest in the people around them.

The argument for this type of giving is that everyone has a stake in their local economy and therefore should 'chip in' whatever they can whether that be money, skill sharing, expert mentoring, child-care or some other kind of support. Examples from around the world include Pamoja4Change in Kenya, Tewa – a women's fund in Nepal, and the Dalia Association, the first Palestinian community foundation.

The growth of communities: Here 'community' action is taken in a narrow sense, epitomised by the local foundations appearing in a range of countries. These can be seen as a response to failures of traditional aid and public structures, but also, a reflection of an increase in self-referencing networks, with a distrust of 'outsiders' and increase in trust in 'people like me'. This aligns well to the creation of bottom-up community initiatives to tackle local issues.

Trust is a vital ingredient here – local initiatives work because the people involved know and support each other (notice they do not have to like each other). Each in some way have a clear responsibility for the wider community. This has growing appeal and in a world where trust is at a premium, the expectation is that these small-scale movements will proliferate. It is perhaps easy for some to scoff at such small- scale ambition but fans include former German president Horst Köhler, an economist by profession and a former president of the IMF.

The Missing Middle

The colossal clout of a small number of the largest charities can mean that the contributions of many smaller and medium sized non-profits can be under-estimated, with capital flowing accordingly. This is a perennial challenge. Smaller NGO's don't get as much philanthropic capital as the larger ones for many reasons including high transaction costs, limited capacity or overhead support to fund savvy fundraisers or even bank de-risking due to anti-money laundering or other regulation. More recently they have also come under additional pressure because of wide scale reductions in the state funding of philanthropic initiatives. Indeed, in Singapore it was suggested that some are already beginning to suffer. Often, at least in part manned by volunteers, they are less able to adapt to change and their limited resources, both in terms of funding and skills, make it almost impossible for them to evidence their work to attract further investment. The smaller the organisation the more difficult it becomes. And yet they are a vital part of civil society and work across communities delivering essential services.

This is particularly frustrating not least because it was observed that many larger non-profits gain funding despite the absence of reliable information about their relative performance. Many in our workshops agreed that billions of philanthropic dollars annually are distributed haphazardly among more than 1.5 million organizations, some deserving, some less so.

One remedy may lie in the celebrated "wisdom of crowds" – using the internet to get direct feed back on the design, implementation and impact of different initiatives from the very people who benefit from its activities. Many see this as a big change for the future. Certainly evidence at the 2017 Feedback Summit, which has a network of over 400 organisations, shows a growing trend amongst philanthropists to better close the feedback loop.

No other generation has entered the workforce with such high expectations of their employers. For them the barriers that used to separate life inside and outside the "office" simply don't exist

Millennial Shifts

From a demographic point of view, Baby Boomers currently are the greatest economic force in giving, and are expected to donate more than $6 trillion over the next 20 years. However, as they give way to the next generation, the rationale and focus of where and how to give is changing. In every workshop, in every location we visited it was clear that Millennials are about to take action. They are fed-up with the profligacy of their elders, recognise the need for change and are looking round for new and innovative ideas to make better things happen.

The next generation has grown to expect transparency, sophisticated storytelling and technical savvy from their charitable organizations.

They are also prepared to take action so many Millennial donors will not only give money, but will volunteer and lend the force of their own social networks to a cause they believe in. For this audience, issues like education, health care and the environment are top of mind, whereas institutional giving to traditional beneficiaries such as churches and established NGOs is less popular.

If you think we are exaggerating, think again. Research by Deloitte found that, across the globe, many millennials feel accountable for societal issues.[xiii] Those in developed nations, buffeted as they have been by economic and social stagnation, are less optimistic than their peers. That does not stop them trying to change the system however. Many believe that, although as individuals they are unable to exert any meaningful influence on the biggest global challenges, they can drive change through how and where they work and it is this that gives them a sense of empowerment. No other generation has entered the workforce with such high expectations of their employers. For them the barriers that used to separate life inside and outside the "office" simply don't exist. Philanthropy is integrated into their lifestyles. "Doing good" is directing their choice of career and employer as well as life choices, where and what they eat, what they wear, what they watch and other wider behaviours. They want to see their skills, networks and for-profit investments used as part of how they make an impact.

Increasingly, millennials integrate giving into their daily living, asking friends and family to sponsor a huge range of initiatives. They are prepared to pay more for a cup of coffee, a pizza or even their weekly shopping provided they know that a percentage is going towards a good cause. Many believe in self-directed giving by non-traditional forms including direct giving, impact investing and social involvement. They are the most likely cohort to support social entrepreneurs, who are using market-based models to tackle social problems, and believe that, rather than create dependencies, this is the most effective way of lifting people out of poverty.

They fight for causes rather than institutions and do not shy away from political issues such as LGBT rights or campaigns that challenge the establishment. They demand transparency, use social media to drive awareness. Their belief in action has fundamentally changed the philanthropy landscape.

Some profess scepticism in all of this, believing that the young in every generation are more optimistic, caring and proactive than their older, world-weary peers.

Clearly, we are generalizing - millennials, like any generation come in all shapes and sizes, good and bad. They are also the selfie-generation. Much can be made about their vanity, their short attention spans and the fact they are not yet burdened by the responsibilities of middle age but despite all this, a World Economic Forum study of 5,000 millennials surveyed in 18 different countries indicates that they still believe the top priority for any business should be, "to improve society."[xiv] Also, a professor at a leading US University told us that in his 35 years of teaching, he had never witnessed a generation so committed to improving the world. Looking ahead it's hard not to take hope from their mind-set, energy, enthusiasm and effort.

Insights from Washington DC

Theme 2: Knowledge

The second driver of change is knowledge and its practical application. A common complaint from donors is the lack of understanding around the real impact of a particular donation: "What has my money been used for and what difference has it really made?" Or, as we heard from one sovereign wealth fund, "we give away a lot of money, but we don't think we do it very well".

Sometimes the reason for this is simply down to manpower – there aren't enough people with the necessary skills to be able do the analysis. In addition, issues such as difficulties of attribution or the time-lag between intervention and results further complicate the matter. Donors can sometimes lack the information they need to understand the impact of their donation and to make informed decisions around future giving.

Donors increasingly expect to be able to follow their money, see change, and directly link results to the donation

Having said that, the collection of data is becoming increasingly possible and can help agencies understand how best to invest their limited resources.

According to the U.N. Secretary-General's Independent Expert Advisory Group on the Data Revolution for Sustainable Development, "New technologies are leading to an exponential increase in the volume and types of data available, creating unprecedented possibilities for informing and transforming society." In addition, the impact that donations can have on individuals or specific projects can now be accurately monitored. This has the advantage of allowing donors direct access to the beneficiaries, cutting out any unintended third-party bias. This is one of the key drivers in the rise of data-driven philanthropy.

Data Driven Philanthropy

From UHNW individuals to social/media savvy Millennials, donors increasingly expect to be able to follow their money, see change, and directly link results to the donation. Importantly, this builds understanding, endless learning and provides information from which to improve impact. As Washington DC-based Feedback Labs REF (http://feedbacklabs.org/), a leader in this space says, "simply collecting feedback is not enough; closing the loop is what matters. Making regular people true co-creators in aid and philanthropy requires five steps: design, collect, analyse, dialogue, course correct. Creating buy-in among all stakeholders is crucial to completing all steps of the loop."

Certainly, access to more detailed information has transformed our understanding of the impact of philanthropy and shed greater light on how money flows, including where funds come from and how they are managed and disseminated. An increasing number of donors are able to accurately track their giving, helped by non-profit measurement sites such as Charity Navigator and GuideStar, and they can directly link results to the donation they have made. That said, there was scepticism in some quarters around the metrics that organisations such as these use, alongside their interpretation of what they consider to be deserving.

Despite these concerns, there was universal agreement that improved access to data can shift donating from being reactive and responsive to becoming more pro-active and impact driven, and ultimately helping all involved develop a more strategic and effective approach.

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Better collection and use of data has other benefits alongside driving efficiency. It builds trust. Philanthropy, however well-meaning, is increasingly vulnerable to the public distrust and scepticism of the 'post-truth' society and as such the legitimacy, governance and practices of those involved is under growing scrutiny. In part, this is a self-inflicted wound as a recent slew of negative media stories have hit the headlines including allegations of financial mismanagement, damaging commercial relationships, aggressive fundraising activities and the abuse of power. These have tarnished a number of the high profile charities including Oxfam and the Red Cross. Increased transparency would help to address the problem, ensuring that good governance and accountability structures are in place. In addition, the standardisation of reporting would also help. But measuring the effectiveness of everything from protecting the environment to tackling world hunger on the same terms is tricky. New methodologies such as the Global Impact Investing Rating System (GIIRS) are emerging, but none is yet viewed as a panacea.

Despite its value in controlling efficiency and identifying bad practice, measuring the benefits of philanthropy is surprisingly hard. How can we measure "income" in a village of subsistence farmers or define the success of non-quantitative or non-monetary outcomes, like women's empowerment or entrepreneurial motivation?

Data driven philanthropy: Often enabled by digital technology, donors are increasingly able to follow their money, see change, and directly link results to their donation. Greater transparency enables more focus on areas that can make the most difference. However, the increasing dependency on data and the widespread sharing of personal information presents risks around privacy and freedom of expression. It also means that areas of need that are not 'measurable' may well be neglected.

Over the past decade, searching for a more rigorous approach, development researchers have applied the "gold standard" of medical research: randomised controlled trials (RCT). In a RCT, researchers allocate an intervention, such as a microfinance loan, to a randomly selected test group of people and compare their outcomes with a control group. This works well but RCTs are expensive and some baulk at the cost and suggest that sometimes there can too much emphasis on measurement and often this comes at the expense of innovation. Others point out that this is starting to change. For example, in Africa, researchers from the Massachusetts Institute of Technology's J-PAL — a network of academics from more than 50 universities — and non-profit group Innovations for Poverty Action, have been building the infrastructure for philanthropic RCTs. In addition, the World Bank, academics, and even some in the private sector are making impact measurement and survey data more freely available.

Despite this success, the drive for providing some form of quantified data on impacts has led to some elements of the charitable industry evolving into one that measures activities instead of outcomes. Too much measurement, it was suggested, has led to organisations taking fewer risks which has reduced their potential to find solutions to global problems.

The situation is exacerbated by lack of capacity. There are some very good smaller organisations that simply do not have the technology to gather data or the staff with the skills to interpret the results. The U.N. Secretary-General's Independent Expert Advisory Group on a Data Revolution for Sustainable Development points this out, "But, too many people, organizations, and governments are excluded [from the new world of data] because of lack of resources, knowledge, capacity, or opportunity." Looking ahead, as the cost of data collection and analysis fall and our understanding of how best to apply the insights it offers increases, it is hoped that more organisations, large and small, will benefit."

Emotional Giving vs. Effective Altruism

Measuring and monitoring the impact of a donation is clearly data-driven, but what about that first decision, the one where a potential donor chooses to engage with a cause or not? With limited resources, donors will give money to where they perceive it will have the most impact. This perception can be based on emotional intuition or a more quantitative approach.

Many begin their philanthropic journey with a personal connection to a specific cause. Although it may seem irrational, this strength of connection often has long-term value; history shows that donors generally engage longer with causes in which they are personally interested. Jeff Bezos, the entrepreneur founder of Amazon, uses some of his funds to support Mary's Place, a shelter for homeless women and children in Seattle, whose work Bezos said had, "inspired and moved" him. In the US only 3% of individuals compare organisations before making a donation and only 35% do research of any kind in making a philanthropic gift.[xvi]

Emotional motivations do not just affect individual donors. Even for larger donor organisations, which are subject to greater scrutiny and have more analytical tools at their disposal, the initial direction of giving is often based on a feeling rather than fact. Rati Forbes, head of Forbes Marshall Foundation, whose work is focused on improving urban sanitation explained, "I started out on this journey because things I saw moved me. So, for me, it started with

Although emotion may drive the initial choice of cause, for most donors, particularly those with a business background, some sort of quantified metrics, however sketchy, will be increasingly welcome when it comes to tracking the direction and impact of the gift.

the heart.” However, once her interest was piqued, Rati became more focused, researching issues to understand where best to invest funds. This enabled her to choose to focus on sanitation at a time when funding toilets was almost unheard of in India.

The counter to this is that emotional giving poorly reflects relative causal need or the organization or mechanism that will make most impact for a selected cause. As such to have true impact donating “should” be guided by rational quantitative data. It is better to give to hospitals or schools rather than feel-good initiatives. Sentimentality, the argument goes, produces giving that is more self-indulgent for the donor than helpful.

Attitudes such as these have led to a growing interest in Effective Altruism (EA). This uses a quantified approach to ensure that donations achieve the greatest impact on the lives of those in need. Sometimes called “generosity for nerds”, EA rejects personal concerns or interests and instead aims to find the most efficient ways to reduce suffering. This prescriptive approach can direct our goodwill in counter-intuitive ways. For example, if you want to devote your life to helping others, volunteering in children’s homes or caring for the sick might not be your best bet. Instead, effective altruists could suggest you ‘earn to give’ and take a high-paying job because the disposable income you can donate will help more people than you could by simply volunteering in the field. Although considered harsh by some, this logical, data driven approach, has attracted support from high-profile fans like Elon Musk, Peter Thiel, Mark Zuckerberg and his wife, Dr. Priscilla Chan.

In truth, since no one donates without the intention of making a positive difference, most philanthropists, large or small, give on both an emotional and rational level. Although emotion may drive the initial choice of cause, for most donors, particularly those with a business background, some sort of quantified metrics, however sketchy, will be increasingly welcome when it comes to tracking the direction and impact of the gift.

Investing in Philanthropy Capacity

Charities are notoriously bad at investing in their own people and knowledge systems, either through fear of being considered profligate or because they simply don’t have the available cash flow – as a result they may miss out on some much needed support. For example, some donors only consider giving to the larger foundations because they can benefit from their superior analytical and administrative resources. Some in our workshops even suggested that the reason that science and healthcare goals are well-represented is, in part, because of their data-oriented focus which appeals to many philanthropists, particularly those with previous business success.

To address this, one suggestion we heard was to create a “TripAdvisor” style website for doing good. This could outline the effectiveness of a charity’s programmes and how it compares with other charities, and the views of the intended beneficiaries and/or other philanthropists.

Insights from Singapore

Collaborative Solutions

Sometimes the best investment a philanthropist can make is to help an organisation develop the core skills of the workers and build the knowledge systems to grow and improve the impact of the organisation. An excellent example of this can be found in the methods of Humanitarian Leadership Academy. Spearheaded by Save the Children, it was set up to equip a new generation of humanitarians with the knowledge they need to prepare for, respond to and recover from crises, and aims to train 100,000 people from 50 countries by 2020. Operating globally, it facilitates partnerships and collaborative opportunities to enable people to prepare for and respond to crises locally by reaching out to those in the community who aren't professional humanitarians, but could play a vital role during a disaster, either because of where they live or the skills they have.

Initiated in 2015 it has built a web of connections across the globe opening centres in Central America, the Middle East, West Africa, Bangladesh, the Philippines and Indonesia, with more to follow over the next five years. Each centre makes a common pool of knowledge universally available and provides learning pathways for humanitarian workers, with internationally recognised certification, recorded in a 'humanitarian passport'.

This collaborative approach is expanding the pool of capable people available to prepare for and respond to an emergency and, alongside this, it is changing the face of the humanitarian sector, making aid quicker, cheaper, more efficient and effective.

Insights from London

Collaborative giving: Donors are expanding their view of which groups can successfully develop solutions for society's challenges.Businesses, universities and religious institutions can work alongside NGOs and social enterprises shifting from operational silos and one-way partnerships to a more collaborative approach to fund raising, fund allocation and delivery. Charities, NGOs and businesses are more willing to collaborate and create shared value; policies are increasingly co-created by multiple parties, including government; there is growing cross-border sharing of best practice and successes; and, overall, duplication is being reduced leading to greater impact per unit of spend.

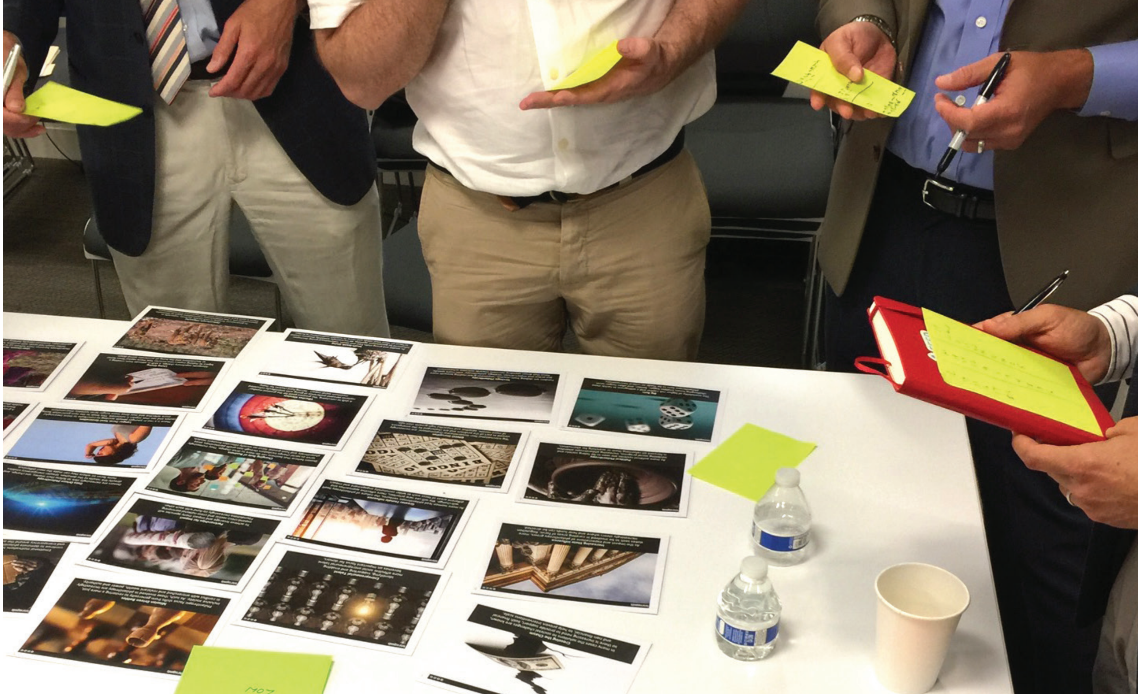
Broader collaboration and technology driven transparency were common themes in many of our discussions, with both seen to be increasingly important in the future. A good example is the collaboration between The Mastercard Center and DataKind, which works on social impact projects in U.S. cities and globally. As DataKind founder and CEO Jake Poway explains, "data is in abundant supply, but human capital is scarce."

The range of social impact projects that the data science teams tackled included initiatives correlating disease and scarcity of food sources in Africa, teaming up with the Red Cross to reduce fire deaths in America, and working with a community college to track drop out and success rates.

Thankfully there are many further examples of successful collaborations to learn from. The Asia P3 Hub in Singapore is a World Vision-led incubator that works with companies, start-ups and non-profit organisations to build strategic, mutually beneficial partnerships and bring about transformational change within communities across Asia Pacific. In Malaysia, Think City is a community-focused urban regeneration organisation that aims to create more livable, resilient and people-centric cities. Also, when Jack Ma, founder of e-commerce giant Alibaba, wanted to foster environmental sustainability in China, he organised a group of other like-minded entrepreneurs to collaborate and created the Paradise International Foundation, which focuses on nature conservation. Finally, in the Middle East, the Pearl Initiative founded by Badr Jafar, CEO of Crescent Enterprises, and Amir Dossal, Founder & Chairman of Global Partnerships Forum, bring together private sector business leaders from across the Gulf Region to create and adopt higher standards of corporate accountability.

The desire for broader collaboration and partnerships for impact can sometimes be a bumpy journey as evidenced by the 2% CSR law in India. Some suggest that it is partially designed to encourage collaboration, private public partnerships and the like, while others, particularly those in our Mumbai workshop, felt that in its current form, it does quite the opposite. Many predict that over time this will have to be modified, especially as private companies seek to have more international links.

Looking ahead expect more collaborative approaches which expand the pool of capable people available to prepare for and respond to need – and make philanthropy quicker, cheaper, more efficient and effective. Despite the growth in collaborative initiatives there was a widespread belief that we are moving towards greater fragmentation in some areas. This is a consequence of the increase in direct giving and the growing concentration of wealth in the hands of the few. An emerging issue is how large-scale private donor engagement is beginning to bypass established philanthropic initiatives.



Learning from Stories

In the pursuit of hard, empirical data, individuals and their stories may be lost in a flurry of numbers. But these stories are a form of knowledge too as is evidenced by the growth in direct giving and crowdfunding platforms which has not only made it easy to contribute but also to share and be inspired by personal human stories which help connect individuals to the people and causes they care most about. A strong beneficiary voice can lend legitimacy to the approach and intervention.

Culture has long been a conduit for advocacy and new technologies are now allowing increasingly immersive media approaches to add richness and colour. A strong supporter of this is Alejandro Linarite, the Oscar-winning director of "The Revenant". He created "Carne y Arena" ("Flesh and Sand") a virtual reality project that replicates the experience of migrants making the perilous journey across the Sonoran desert into America. Users are placed amongst a group of digitally-rendered migrants—all dehydrated, wounded, exhausted—and witness the harsh spotlights of helicopters overhead and the force of border control agents. Other examples include the Partnership between the United Nations and the Here Be Dragons virtual reality production company, which focused on a mother whose children were killed in the 2014 Israel-Gaza conflict, and a 12-year-old girl living in the Za'atari refugee camp. Both these examples create empathetic engagement and connection to the cause. All this would suggest that virtual reality is an ideal fundraising tool. Certainly, so far it has been very effective; "Clouds Over Sidra" the Here Be Dragons's Za'atari experience, was part of a UN humanitarian appeal that raised $3.8bn.

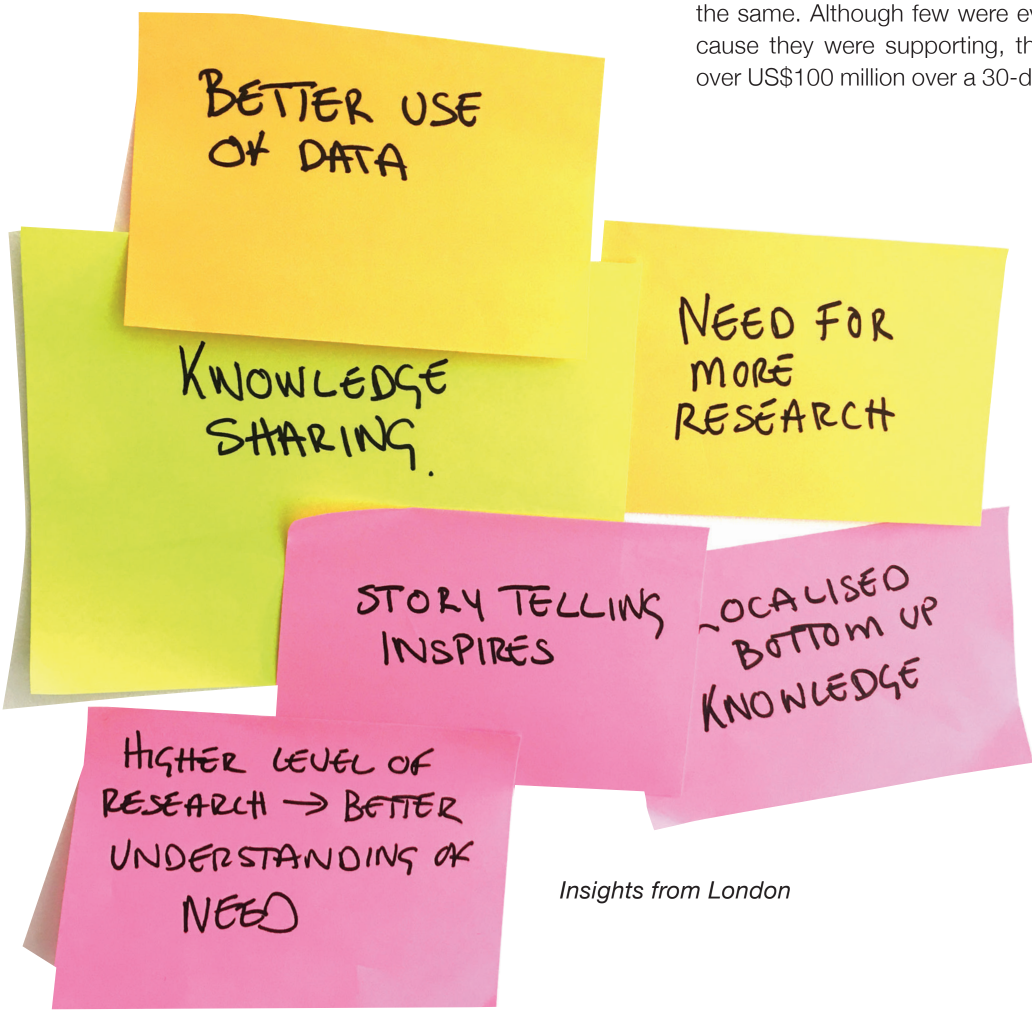
The technology is just taking off and augmented reality, which projects images onto the real world, may well be swift to follow. Gaming, too, offers new ways to connect for creative philanthropists: "Playmob", a platform that connects game developers with charities, claims to have fed 10,000 families and saved 31 pandas.

Future Role of the Media

Supporting positive social change has long been in the remit, and included in the programming content, of organisations such as NPR and the BBC.[xviii] However, adjacent to improved storytelling, there has also been increased interest and participation from the media in creating an appetite for positive change. A 2017 example from the UK is the role of the media in Heads Together[xix], an initiative that sees The Duke and Duchess of Cambridge and Prince Harry working to eliminate stigma around mental health. Other initiatives highlighted in the Mumbai workshop included Breakthrough TV, the depiction of a child bride in the soap opera Balika Vadhu and the encouragement of greater social activism through the Tata Tea Jaago Re adverts.

Social-media has now also become a force for social development. In China, WeChat and AliPay have created online markets for agricultural goods, enabling service providers to engage with their users, and raising funds to support humanitarian assistance programs such as drought relief in South Africa or earthquake recovery in Sichuan province.[xx]

Looking ahead, workshop participants were clear that there will need to be more, deeper and ongoing media engagement and there was much discussion about how this could be achieved. At the same time, social networks are increasingly allowing NGOs to by-pass traditional intermediaries and reach the public directly. The 2014 ice bucket challenge was a phenomenon of the summer. People dunked a bucket of iced water over their heads in order to solicit donations before nominating others to do the same. Although few were even aware of which cause they were supporting, the campaign raised over US$100 million over a 30-day period for ALS.[xix]



Insights from London

Theme 3: Trust

The final driver of change is trust. Philanthropy and philanthropists have always been vulnerable to public scepticism, and in many countries government scepticism too, but recently the distrust is growing.

In part, this is the unintended consequence of earlier approaches where generally, the well-intentioned developed initiatives without having much constructive dialogue with the recipients of their benevolence. It is also a public reaction to the fact that a small group of people, who have made more money than they need, seem to have decided to invest substantially in issues that affect us all without our consent. With names like Soros, Gates, Bloomberg, Mercer, Koch and Zuckerberg, this team of mega-donors has driving ambition to get things done and their desire for results is upending philanthropic norms.

Some find this particularly concerning from a democratic perspective. They believe we are now looking at a future when the holders of private wealth are able to re-shape society according to their own philosophy with little or no accountability and we are witnessing the emergence of a philanthropic oligarchy, where rich individuals, who do not need to answer to shareholders or the democratic process, can quite literally re-shape the world. See for example the 2018 FT article "Elon Musk and the silly billy billionaire's club" Indeed, often their influence now extends way beyond national boundaries.

Worse, the growing trend towards anonymous philanthropy, with more donors opting for opaque DAFs and LLCs as their giving vehicles can blanket the whole process in secrecy. Others believe these worries are overplayed. After all there are often very good reasons for anonymity – not least to protect vulnerable beneficiaries or indeed to avoid unnecessary media harassment. But, when donors use their gifts to sway public policy or interfere in international issues, most in our workshops agreed that it is important to know who they are.

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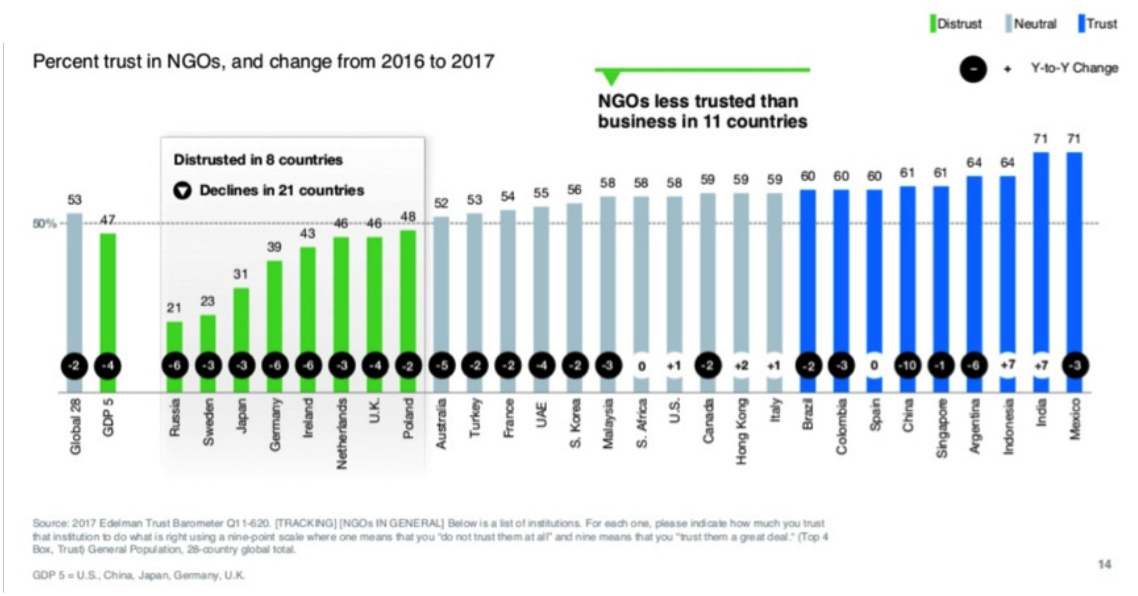
Such is the size and scale of some philanthropic initiatives, particularly those from the US, it is understandable that some governments are distrustful of the over involvement of what they see as a modern form of colonialism. India is particularly sensitive in this regard. Around 11,000 non-governmental organizations have lost their licenses to accept foreign funds since Prime Minister Narendra Modi took office in 2014. Major Western funders — among them George Soros's Open Society Foundations and the National Endowment for Democracy — have been barred from transferring funds without official permission.

Clearly if they are to achieve their goals, change-making philanthropists must build and maintain trust in the communities in which they operate. This applies at both national and local level. The challenge is how to achieve this, especially at scale, and particularly in contemporary society where trust in any of the established organisations is already at historical low ebb.

Those we spoke to referred to the need to address three elements:

- Integrity, the ability to act transparently and democratically;
- Reliability, the ability to act consistently – even when times are tough; and
- Competence, the ability to deliver results.

Trust in NGO's in decline, Edelman Trust Barometer 2017



Source: https://www.edelman.com/global-results/

Even philanthropists need to ensure they admit when they are wrong.

Insights from Oxford

Integrity

Simply stating that an organisation is acting with integrity is not enough to gain trust. Organisations must earn it by actually doing something worthwhile effectively and consistently. A stated purpose and direction does much to set parameters but is only a start. Increasingly, the appetite is for actions to be recorded and measured so that there is more transparency around their impact. Used correctly technology is a huge help. Indeed some argue that the greater transparency it enables, the more trust can be built. But it's not a given; there is huge scepticism around whether impact measurement is either possible or even cost effective. Clearly those who are interested can follow the money, and may even witness change, but often it is almost impossible to make a direct link. The British Heart Foundation, for example, is clear that it is only one player in the measurable reduction of heart disease.

Clear communication and proactive collaboration are also key indicators that an organisation is acting with integrity. So is listening. One way of gathering feedback in a constructive way is through closed feedback loops in which all stakeholders actively participate. This offers donors the ability to build and adapt programmes as the circumstances change and the effect of their initiatives are better understood within communities.

Even philanthropists need to ensure that they admit when they are wrong. If they don't, they create concern not only about integrity but about competence too. Mark Zuckerberg, learnt this lesson the hard way when it emerged that his $100m donation to transform the schools in Newark had failed. He is trying again in the San Francisco Bay area, but this time he has taken a more collaborative approach. He is working with a local support base and through them is building a constituency prepared to take action and get others to think, engage with and care about the cause. Hopes are high that this time he will be successful. It is much harder to designate an organisation as an arrogant outsider when its supporters include those who live in the area.

More broadly, the significance of trust in philanthropy goes a long way to explain why there is such a growth in community philanthropy initiatives and local giving circles . Unlike their global equivalents, local organisations are able, bit by bit, to build trust within, between and among the people they serve, not only through the transparent stewardship and flow of resources, but also by deliberately fostering multiple relationships at the local level including between those who have resources and can be convinced to give, those who have ideas and aspirations and for whom a small grant can make all the difference and those who for the first time are made to realise that they too possess useful assets.

Increasing the power of the beneficiary voice also assists in growing the legitimacy of the approach and intervention. This is one of the reasons why crowd funding has had such an impact. Crowd funding is often driven by grass-roots initiatives and can sometimes challenge many existing institutional delivery models, which historically have taken a paternalistic approach to giving, urging people to listen instead to what beneficiaries really want. Crowd funding is challenging the very process of philanthropy, with some foundations choosing to share the power and decision-making over where and how their philanthropic dollars are spent with those who are directly affected. This mandating of donations, as practiced by the Open Society Foundations, improves both legitimacy and transparency. The critical benefit here may be the increased and enduring sense of ownership of the solutions created, something that arguably the social entrepreneur movement has long been aware of.

Importantly crowdfunding also gives beneficiaries their own platform. As Kevin Johnson writes in Non-Profit Quarterly, "Much of the DNA of today's non-profit sector is based on a cultural history that might be summarised by the phrase, 'We're experts. Trust us, give us money and we'll do the right work.' The premise of crowdfunding starts from the exact opposite point of view — that beneficiaries know best about what they need and how to spend it. It's not just another fundraising tool; rather, it's a vibrant new life form."

Regular, interactive communication with stakeholders is also critical and builds trust. Listening to others is as important as broadcasting intent. This may explain why Amazon CEO Jeff Bezos is attempting to crowd source his philanthropic activities. He turned to his Twitter account for suggestions on where his money and efforts would be best directed stating, "This tweet is a request for ideas". It is an interesting beginning to his next philanthropic journey and, assuming he follows up with some of the recommendations that it has stimulated, may well ensure that his future activities are given greater support.

By encouraging "ordinary" people to give and feel as though they have a stake, these collaborative organisations offer essential spaces to build voice, resources and power and in so doing legitimise philanthropy as relevant for us all.

Reliability

In addition to those with faith, religious charities attract significant donations from non-believers. In an increasingly secular world one reason for this is that they offer a tried and tested route to philanthropic giving. For many, they can be relied on to "do good". As we are currently living in a time of intense change many are keen to hang on to the steady standards they believe that religion offers which have been established over centuries.

Similarly, the 'BINGOs' - the Big International NGOs - are seen by many as a reliable, safe bet. The likes of World Vision and MSF all have high levels of professionalism and strong track records that give a strong sense of on-going reliability. However this perspective is not universal and in some of our events, concerns were expressed about the integrity and reliability of some international organisations at a national level. Indeed, in some cases BINGOs are viewed as part of the problem and are being challenged by the emergence of more nimble, adaptive and efficient high-growth start- ups. Like a huge tanker trying to change course, BINGOs can be seen as slow to react and weighed down by bureaucracy. High profile examples of their inefficiencies seem to prove the point and include the Red Crescent in Yemen, Oxfam in Haiti and The American Red Cross' failure to react effectively during the Haiti hurricane. They are of course not alone in allegedly spending too much money on consultants and too little on direct aid but their size and scale makes them an easy target for media attention. An alternative approach to their dominance is now evidenced by the growing influence and impact of social entrepreneurs supported by organisations such as Ashoka and the Skoll Foundations.

In some cases, BINGOs are viewed as part of the problem and are being challenged by the emergence of more nimble, adaptive and efficient high-growth start-ups.

Community philanthropy and the Bezos example demonstrate that trust is more easily established if built on connections with real people than with organisations. This distinction explains why many philanthropists now bypass third-party media and use direct links such as Twitter, Facebook and the like, to talk to their communities.

Looking ahead, as social media allows every individual to effectively be their own media company many see that there is less need to rely on the likes of CNN or the BBC to represent them and instead become their own broadcaster, sharing news and ideas with a self selected community. That is of course if they can differentiate themselves from the noise of others doing the same thing.

Competence

Many of the new philanthropists believe that they have already demonstrated competency in their professional lives, however they recognise that this alone does not necessarily equip them for the wider social challenges they are likely to face when they get involved in the non-profit world. Given the current lack of accountability, greater transparency, robust governance structures and clear reporting processes are key to building trust. This may explain why there is growing support for the development of standardised philanthropic reporting and an acknowledgement in some quarters that independent organisations which evaluate philanthropy, such as GuideStar, GiveWell and Charity Navigator, also have an important role to play. Technical solutions, such as the increased use of blockchain may in the future also help primarily as an enabler. Although it was recognised that "it won't in itself give us trust, but it might give us transparency."

Philanthropy Advisors are also playing an increasingly important role in enabling and accelerating competence. There will always be a group of philanthropists for whom a large part of the fulfilment is in finding their own causes and charities to support.

But according to a 2017 report by The Philanthropy Workshop around 9% of high and ultra high net worth individuals are using philanthropy advisory services that go beyond the scope of traditional financial advisors for whom charitable giving is considered from a tax perspective rather than in a wider social context. Such a professional teaches and empowers their clients to direct their philanthropic resources effectively, becoming a 'one stop shop' for all the complexities of giving including identifying opportunities, information gathering, strategy and programme planning, and grants management in a multi-year giving programme. They deliver huge value to individual donors or smaller foundations by, for example, allowing funders to pool their money behind sophisticated grant-making strategies. Specialist advisors can also provide expertise in project management, which is much needed when facilitating collaboration across diverse philanthropy partners.

Trust is vital to this relationship and prospective philanthropists should choose their advisors wisely. Inexperienced but expensive consultants whose backgrounds are in finance as opposed to the social sector abound.