

# More than money:

## The meaning and purpose of contemporary UK philanthropy

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*There are two types of problems:  
problems of ignorance that require more facts  
and problems of confusion that require more clarification.*

**Wittgenstein**

# Why do rich people give? UK research

1. Belief in the cause
2. Being a catalyst for change
3. Self-actualisation
4. Duty and Responsibility
5. Relationships

Source: Theresa Lloyd (2004) *Why Rich People Give*. London: Philanthropy UK

# Why do rich people give? US research

“Philanthropy grows out of the donor’s sense of identity...  
[Philanthropists wish to leave] footprints in the sand of time.”

Francie Ostrower (1995) *Why the Wealthy Give*

“With financial freedom, individuals no longer need to focus on wealth-building. Rather they move to a higher level of personal introspection, which relates to their life’s purpose and calling.”

Randy Ottinger (2008) *Beyond Success*

Philanthropy is part of the effort undertaken by rich people to write their ‘moral biographies’, which are the, “*narrative procedures they [use to] explain how it is possible for them to be rich and good at the same time.*”

Paul Schervish & John Havens

# Analysis of UK media coverage of philanthropy

*"I am afraid of the media, it's always negative...  
They have great power and there's no right of reply."*

*"Why are the media nasty?... They are snide and they  
pander to jealousy."*

(quotes from Theresa Lloyd 2004 'Why Rich People Give')

## Adjectival analysis of all 2006 UK print media coverage of philanthropy

Positive (30%): Great, Renowned, Eminent, Legendary, Remarkable

Neutral (55%): Rich, Well-known, Scottish, Catholic, Industrial

Negative (15%): Ruthless, Philandering, Dickensian, Tax-ruse, Coutoure-clad

Type	Very favourable	Favourable	Neutral	Unfavourable	Very unfavourable
Broadsheet	14%	39%	31%	11%	5%
Local	22%	48%	20%	9%	1%
Tabloids	15%	46%	17%	14%	8%

# Ideal Types of UK Philanthropists

## **Salvation Seekers (17%)**

Give to projects that benefit members of their own religion.

## **Agenda Setters (17%)**

Predominantly fund projects abroad, usually humanitarian, human rights and the environment.

## **Big Fish (17%)**

Strong local dimension to giving, support causes & people where they live or have business.

## **Kindred Spirits (16%)**

Support projects that benefit 'people like me', similar class background, life experience or trade.

## **Patriots and Players (14%)**

Give to establishment institutions, especially historic organisations & causes favoured by royalty

## **Culture Vultures (10%)**

Major focus of grants is the cultural sector - visual arts, performing arts, museums, galleries etc.

## **Big Brands (5%)**

No pattern discernible beyond recipients being primarily well known or 'big brand' charities

## **Secret Operators (4%)**

Provide absolute minimum legally required information about their giving.

# The Coutts Million Pound Donor Report

An annual effort to collate and analyse data on all donations worth £1 million or more – made by UK donors or to UK-based charities – in order to assess the scale and impact of these gifts and get a better understanding of who is making them and what causes they are supporting.

# Summary of Million Pound Donor data

**Quantity:** c.200 a year (193, 189, 201)

**Total value:** c.£1.5bn (£1,618bn, £1.405bn, £1,548bn)

**Average size:** mean £7m, median £2m, mode £1m

**Source:** Individuals account for half the no. of gifts, and two-thirds of the total value

**Destination:** Shift from 'banking' (56%, 42%, 36%) to 'spending' (44%, 58%, 64%)

**Recipients:** Of 161 organisations receiving MPDs in '08/9, 141 got just 1 gift of this size.

## **Recipients of all £1m+ donations in 2010:**

Universities (37%), Foundations (35.5%), Arts & Culture (8%), Health (6%), International Aid (3.5%), Education (3%), Welfare (3%), Overseas (1.5%), Other public benefit (1.5%), Environment & animals (0.8%), Religious (0.2%)

## **Recipients of individual £1m+ donations in 2010:**

Foundations (50%), Universities (26%), Arts & Culture (11.5%), Health (4%), Education (2%), Welfare (2%), International Aid (2%), Overseas (1%), Environment & animals (1%), Other public benefit (0.5%), Religious (0%)



# Using case studies of MPDs to think about donor engagement

## **Donor Plus?**

To use their skills, knowledge and contacts to help causes they care about

## **Donor Powerful?**

Demonstrating leadership through philanthropy

## **Donor Paranoid?**

To keep an eye on the recipients

## **Donor Pleasure?**

Leisure/retirement philanthropy

## **Donor Passionate?**

Emotional engagement expressed through practical engagement

# Donor Plus?

*“My philanthropic approach is related to my background as an entrepreneur who has focused on challenging the status quo... We can help by providing not only financial resources but also strategic advice and contacts to take them to the next stage.”*

**Male, London-based European entrepreneur**

*“I’m involved in a project called Choyses which helps young people on the verge of being excluded from school... Although the consortium which was appointed to run Choysez was very good it showed little ability to make the project self funding as had been hoped. So I became Chairman in order to help them work out how to become more commercial and sustainable. From being 100% dependent on charitable donations, we now cover some 80% of [costs].”*

**Male, north eastern businessman**

# Donor Powerful?

*"I've been concerned with the difficulties and opportunities facing our planet throughout my professional life... The earth faces many problems but in the 21<sup>st</sup> century there are greater opportunities to solve them... Grasping these opportunities requires an ambitious effort which is why I provide extensive financial support [to Oxford University]."*

**Male, made money in science and technology**

*"As funders we often make the first step and pledge money for new ideas to show that they work, which then attracts other donors who may not be prepared to take this initial risk."*

**Male businessman**

# Donor Paranoid?

*"I'm giving it [£1m] over five years... partly so that I can keep an eye on things. I think one has a responsibility to make sure that the funds are spent wisely. I've visited the laboratory and I receive reports once or twice a year. The medical team is obviously in charge but I do like to meet with the researchers and doctors as I am interested in how they are getting on."*

**Female, former nurse**

*"We meet with recipients at regular intervals... We believe this is critical as it allows us to have an input and ensures that we are kept fully informed of any changes which may occur."*

**Male, northern businessman**

*"If you leave your money in your will then you have no idea what will be done with it. It's far better to spend it whilst you're alive because you can be involved and make sure it is being spent well."*

**Male, global entrepreneur**

# Donor Pleasure?

*"[I] sold my company... and thereafter no longer had to go to work every day. I therefore looked around to find something different and worthwhile to do with my new freedom... I quite often visit projects that I'm planning to help and I like to keep in touch with the individuals I've given grants to... I've got a feel for it now and I still get a great deal of satisfaction out of helping so many young people."*

**Male, north eastern businessman**

*"We have enjoyed a wonderful time travelling extensively in Africa and Asia visiting our first ten projects... Parking the money in the foundation didn't give me any particular satisfaction – that just involved moving money from one bank account into another. We have enjoyed a wonderful time travelling extensively in Africa and Asia visiting our first ten projects."*

**Male, London**

# Donor Passionate?

*(Gave £1m+ to renovate an old church) "I went to have a look at the church recently and the stonework is so clean. It's gorgeous, so beautiful and I'm getting a real kick out of that project."*

**Female IT entrepreneur**

*"It is surprising how often I and my fellow trustees find ourselves in meetings becoming very emotionally involved, and on occasions being reduced to tears. When you are able to help and make a real difference to someone in real need then the experience is one of the most rewarding and satisfying that you can have."*

**Male, northern businessman**

# Why do philanthropists want to engage?

## **To be involved**

*"I've had an entrepreneurial career and I'm used to getting involved in projects by investing time and effort as well as money. In all these cases it wasn't just a case of signing a cheque but of being personally involved as a family, because we prefer to make a contribution that's about more than just money."*

## **To have access**

*"Up to the point of sale much effort and professionalism is brought to bear. Thereafter a fog of indifference descends. You are either put on a database and bombarded with general mailing shots or you are unable to find out what they have done with the money."*

## **To enjoy giving**

*"The huge pleasure and satisfaction that is to be gained from spending one's time in giving in your later years, far outweighs any pleasure that you can possibly gain on the golf course, on the beach or on the back of a yacht in the Mediterranean sipping dry Martinis."*

*"I like being busy and I couldn't just play bridge or golf every day – I like to feel I've earned my holidays! I need a sense of purpose. So it's not only about being altruistic because it gives me a great sense of satisfaction too."*

# More than money:

## The meaning and purpose of philanthropy

Philanthropy is a social act, more than an economic transaction.

Philanthropy is an important part of the identity work of many major donors.

Philanthropy helps people to prove they are socially significant, not just financially significant.

Philanthropy helps people to achieve distinction and to accumulate social and cultural capital.

Philanthropy offers an opportunity for the 'undeserving rich' to get cultural affirmation.

Philanthropic acts help some people to achieve their needs for meaning.