

# HOW CAN THE PHILANTHROPY SECTOR IMPROVE?



## Speech given at the launch of NPC's *Giving more and better* publication, 28 June 2016

Matthew Bowcock, Hazelhurst Trust

### Welcome and thank you

Forgive me if I start by speaking from a personal point of view. I have been fortunate enough to make some money from the businesses that I have set up, certainly more than I need, and my wife and I became gradually involved with philanthropy over a number of years, in my case probably influenced by the value systems that my mother drummed into me as a child. The period I spent chairing [UK Community Foundations](#) led me to dwell on why it seems that some of the wealthy give generously, while others give little. Of course, we can ascribe this to differences in peoples' levels of empathy, but there is a more complex set of questions behind this. From the 80s both main political parties embraced free market economics which undoubtedly created considerable wealth for the country, whilst also rewarding some with great personal riches. This is the inevitable consequence of a free market economy. Entrepreneurial risk taking, which we now understand is valuable in our economy, is stimulated by high levels of potential reward. But the price is a disparity of wealth that is probably as great as it has been for 100 years. [The top 1% now own 55% of the nation's wealth.](#)

But has this accumulation of wealth in a small number of hands resulted in a culture of philanthropic giving? Margaret Thatcher in her later years expressed disappointment that the culture of wealth creation that she fostered did not automatically result in a culture of giving. She assumed that the American philanthropy habit would naturally accompany wealth. Perhaps this is because the rise in the power of the state which, by the way, Margaret Thatcher did a great deal to encourage, has also led to an abrogation of responsibility for the problems around us: *'I have paid my taxes so it's the government's job to fix it'*. This applied in an era when the government's resources seemed unlimited, but no longer when we appear to have reached the limits of what the state can fund. Maybe, also, this is a generational problem. There is growing evidence that the young are more generous, more socially aware and more empathetic. Perhaps the problem lies with the baby boomers, brought up at a time when we were building the welfare state and the NHS—a new Jerusalem—when all social problems would be addressed by a caring, compassionate state.

So what do the wealthy in the UK give for public good? We estimate (and I am very grateful to Cath Tillotson of [Scorpio Partnership](#) for her help in pulling together these figures) that High Net Worth individuals give about £1,300 per year on average and Ultra High Net Worth individuals (remember this includes about 100 billionaires) give about £55,000 per year. This is hardly going to change their lifestyle is it? Of course, this masks the fact that among these numbers there are some extremely generous philanthropists, but presumably there are also some less generous ones, and together these two groups own about £1.3 trillion of assets.

Why should this be an issue? One thing that we are very good at here in the UK is moral panics, defined as 'a feeling of fear spread among a large number of people that some evil threatens the well-being of society'. Think of MMR, or more recently corporate tax avoidance, charity fundraising or, though I hesitate to mention it, some of the issues raised on the Brexit campaign. I fully expect that the levels of wealth held in a small number in private hands will result in a moral panic, particularly if the dubious behaviour of some entrepreneurs keeps being played

out in Parliamentary committees, which is why I think that the time has come to develop a public discourse about how private wealth can be deployed for public good. There are many questions to answer.

- Should there be an implicit social contract with entrepreneurs? We give them freedom to go forth and buccaneer and make loads of money, even giving generous tax breaks for investments, but in exchange should society expect some of the surplus reward to be used for the good of society?
- How do people with money know how much they should give, or indeed, can afford to give?
- What role can peer-pressure play in this?
- Can behavioural economics influence giving?
- As a society, do we recognise sufficiently those that do give?
- What advice and education do donors need so that they give more and better?
- What are the policies of the political parties on philanthropy and should government play a role?
- Do we have the data to measure whether giving by the wealthy is growing?
- Indeed, do we understand and recognise the economic and social value that philanthropic giving delivers?

I believe that, unlike much charitable fundraising, philanthropy is not only about money but also the skills and networks of the donor: investing 'Time, Talent *and* Treasure'. As such it is the oxygen of our civil society. Philanthropic money can take risks, explore new ideas while not being afraid to fail; it can back social entrepreneurs and go places that government will not venture. It is essential for the vitality and vibrancy of our voluntary sector.

This report, [Giving more and better](#), is an attempt to stimulate further debate about the role of private wealth for public good in our society. It doesn't attempt to answer all these weighty questions, but examines the journey that philanthropists make and where and what could help them along the way. It is just another step along a route that has been pioneered by others, such as The Philanthropy Review in 2012, raising the profile of philanthropic giving. I hope that the groundswell of interest will lead to a vigorous and productive debate about the role of private wealth, which will normalise philanthropy as a natural part of our society.

Of course, it has been an integral part of society for most of our history. You only have to walk down the high street of an average market town or city in this country to see schools, hospitals, universities, churches, libraries, even in my local town, the fire station, all built with philanthropy. It is deeply embedded in the fabric of our society, which is why it seems strange that it almost feels furtive, something that you have to be embarrassed about. Normalising philanthropy could not only release much greater funding for our charities, we estimate as much as three billion per year, but also engage entrepreneurial talent in civil society.

So I hope that [our paper](#) is part of a growing number of actions which will all release more private giving. Call it a campaign, if you wish, but one that needs the energy of many people and organisations, all striving to develop more and better giving in the UK. It could take 5-10 years, and may itself need funding, but the goal is up to £3 billion a year of additional giving, supported by more engaged and empathetic wealthy individuals and as a result a healthier and stronger civil society.

The bulk of the work so far has been undertaken by NPC's Angela Kail and Stephanie Johnson (who can't be here as she has more important duties giving birth!). They have been supported by Dinah McKenzie and Tris Lumley at NPC, with other organisations such as [Philanthropy Impact](#), the [Beacon Awards](#), [The Philanthropy Workshop \(TPW\)](#), [Ten Years' Time](#) and [Scorpio Partnership](#) all participating in workshops and contributing ideas. We welcome others to join us, whether they work for a professional advisory firm, a third sector organisation or in any other field and have a desire to achieve more and better philanthropy in the UK.

For more information, please contact Angela Kail at NPC via [angela.kail@thinkNPC.org](mailto:angela.kail@thinkNPC.org).  
[www.thinkNPC.org](http://www.thinkNPC.org)