NEW FUNDING SOURCES: AN INTRODUCTION FOR TRUSTEES

NPC briefing, September 2015

Peter Harrison-Evans

On 29 June 2015, NPC and the Clothworkers’ Company held a seminar on new funding sources for charities. The seminar focused on two forms of alternative finance—social investment and crowdfunding—giving trustees an introduction to both, as well as discussing some of the main benefits and challenges. This paper highlights the principle discussion points, summarising advice from our speakers and drawing on the broad experience of those in attendance.

The seminar was chaired by Iona Joy, Head of the Charity Team at NPC.

The first half of the seminar involved an introduction to social investment, with the panellists speaking about their expertise and experiences in the following areas:

- **Melanie Mills** (Social Sector Engagement Director, Big Society Capital) gave an overview of social investment, looking at the types of investment available and their applicability to charities.
- **Tricia Hartley** (former Chief Executive, Campaign for Learning) spoke about her experience of securing social investment from CAF Venturesome at a time when financial pressures meant the charity looked for alternative sources of funding.
- **Richard O’Brien** (Investment Manager, CAF Venturesome) discussed the Campaign for Learning case study from the point of view of CAF Venturesome, as well as giving some general advice for charities on getting ready for social investment.

The second half of the seminar heard from panellists involved in researching, promoting and utilising crowdfunding:

- **Peter Baeck** (Principal Researcher, Public and Social Innovation, Nesta) gave an introduction to crowdfunding, as well as presenting Nesta’s research on alternative finance.
- **Jess Ratty** (Brand Communications Manager, Crowdfunder) spoke about crowdfunding platform Crowdfunder and gave some tips for charities looking to begin fundraising in this area.
- **Lisa Westcott Wilkins** (Managing Director, DigVentures Ltd) gave an account of her organisation’s experience using crowdfunding to raise money for archaeological digs, setting out the challenges and benefits that crowdfunding can bring.
Introduction

The latest data on charity sector funding shows that income from traditional sources, particularly grant funding, is in decline. The most recent edition of NCVO’s Almanac\(^1\) found that in 2012/13 voluntary income to the sector had fallen by £185 million (or 1.2%) on the previous year and by nearly £2.5 billion since 2007/8. Over this same period (2007/8 to 2012/3) voluntary income from government (i.e., not earned/contract income) has fallen by nearly half. This growing scarcity of grant funding is, therefore, forcing charities to look for alternative sources of finance and become more innovative in their search for funds.

Social investment is one area that many charities are now considering to help mitigate the funding squeeze from traditional sources, as well as using it to kick start new operational models. But, while there is heightened awareness of social investment and substantial amounts of work by key players to aid the process, many charities are still yet to fully understand whether it is right for them.

Another area of alternative finance that has received significant media attention in recent years has been crowdfunding. While much of this attention has been focused on the private sector, recent research by NPC in the heritage sector\(^2\) has shown that here charities are looking to diversify their income streams and are interested in crowdfunding in particular. While many in the sector may have a vague awareness of crowdfunding, few understand how to engage with it and what benefits it could bring.

The seminar aimed to demystify these two topics, helping to get trustees up to speed on the fundamentals of social investment and crowdfunding, as well as giving attendees insight into the experience of charities that have pursued these alternative financing models. For both topics the panellists discussed: when each model was appropriate (and for which type of charity); what the main benefits could be; and what are the key challenges and risks for trustees to consider.

Social Investment

While we’re still some way from widespread sector engagement with social investment, the concept has attracted significant interest from funders and charities based on its potential to help social sector organisations access long-term, affordable finance. The movement to build a market in social finance began in 2000 with the government’s Social Investment Taskforce\(^3\), followed by the establishment of Big Society Capital and the G8 Social Impact Investment Taskforce.\(^4\) There is still political support for social investment, with a number of initiatives emerging to encourage its development within particular spheres of the sector (e.g., the Arts Impact Fund—a £7m initiative set up in 2015 by the Arts Council England, Nesta and other private and charity sector partners\(^5\)). The seminar heard how social investment has the potential to form a key part of the changing funding mix, but that charities must understand that it is a challenging process, requiring substantial preparatory work.

What is social investment?

Social investment is the use of repayable finance to achieve a social as well as a financial return. Melanie Mills, from Big Society Capital, set out the basics of the concept, positioning it between traditional investment (where only a financial return is expected) and philanthropy/grant-making (where achieving social impact is the sole focus). NPC’s own research\(^6\) found that social investment can be broken down around this midpoint—with some social investments prioritising either social impact or financial return (see Figure 1). In the former case this may mean investors are willing to accept below market rates of financial return, while in the latter investors will be looking to prioritise financial return, albeit from organisations with a social purpose.
New funding sources: An introduction for trustees

Figure 1: Spectrum of approaches to social investment

*Funders and specialist suppliers explore non-grant*  
*Financial investors explore social investment to diversify beyond mainstream investments, and grant-makers explore social investment*

Grants  
Social investments likely to appeal to impact-first investors  
Social investments likely to appeal to finance-first investors  
Mainstream lending and investments

Source: *Best to invest? A funders’ guide to social investment.*

While social investment sits in the middle of regular investment and grant-making from a social/financial return perspective, in one sense it is more akin to traditional lending as it is a form of repayable finance rather than a grant. Richard O’Brien from CAF Venturesome noted that financial and social returns are expected from any social investment, but emphasised that trustees need to be clear on the requirements of any investment. For instance, while CAF Venturesome looks to develop social impact targets alongside the provision of finance, the only target directly affecting the repayment of the loan is the interest rate.

Richard O’Brien was also keen to stress, however, that social investment is likely to be more flexible than bank lending, with the level of flexibility linked to the source of the investment. CAF Venturesome is, for example, able to be more flexible on the terms of the investment as the money comes from philanthropic sources, whereas social investment finance intermediaries (SIFIs) have to make a return to investors so may be less able to change terms.

Social investment can be made in the form of debt or equity, with debt investments being the most usual to date. Melanie Mills broke this down further, presenting a summary of the four main types of social investment:

<table>
<thead>
<tr>
<th>Types of social investment</th>
<th>Loan given against security of an asset (which can be repossessed with failure to repay loan)</th>
<th>Funds working capital; growth; or specific projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Secured loans</td>
<td>Short-term bridging support pending a specific repayment event</td>
<td>Higher interest rate than secured loans, but often only option in traditionally asset poor sector</td>
</tr>
<tr>
<td>Unsecured loans</td>
<td>Traversable debt with periodic interest payments</td>
<td>Level of finance provided generally over £1 million</td>
</tr>
<tr>
<td>Charity bonds</td>
<td>Investor owns a stake of the investee organisation, usually in the form of shares</td>
<td>Can provide risk capital to early-stage start-ups or more established organisations looking to scale</td>
</tr>
<tr>
<td>Equity</td>
<td>Not as common a form of investment—the ability to issue shares is dependent on governance and the structure of the organisation (many charities may not be able to use this method of investment)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Charities may, however, be able to pursue the option of ‘quasi-equity’ investment, whereby investors receive variable repayments, often linked to revenue.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Investment often comes with additional support (eg, advice, network connections)</td>
<td></td>
</tr>
</tbody>
</table>

Source: *Best to invest? A funders’ guide to social investment.*
When is social investment appropriate for charities?

Increasing funding challenges and a decline in traditional sources of income in the sector mean that many charities are looking to social investment as a possible source of capital upon which future income can be generated. All the panellists were keen to stress, however, that social investment will not be right for everyone and may be a challenging process even in cases where it is the appropriate solution to funding problems.

A key message from Melanie Mills was that social investment is a tool that can be very valuable in certain circumstances, but may not meet the needs of some charities in others. Any investee will need a reliable source of income to enable them to repay the funder. Social investment can, in this respect, be very effective in supporting the growth of successful financial models in social enterprises or trading arms of charities. It can also increase access to finance for social sector organisations which lack the assets to access financial support from mainstream lenders.

Case study: finding alternative funding through social investment

Campaign for Learning turned to social investment as a result of falling grant income and an increasingly challenging mainstream lending environment. The charity worked with CAF Venturesome who provided an unsecured loan to support restructuring.

Campaign for Learning (CfL), which was established as an independent charity in 1997, saw progressive reductions in statutory funding from 2004 onwards. This led to a run down of reserves and the build up of a significant overdraft. When the financial crisis hit in 2007 lending conditions changed and the bank significantly reduced CfL’s overdraft limit. This left the charity in a precarious financial position and CfL turned to social investment as a route to supporting a restructuring plan.

CAF Venturesome worked with Campaign for Learning, entering into a period of discussion/negotiations around a loan deal. According to Tricia Hartley, former CEO of CfL, CAF Venturesome’s advice in supporting them to become investment ready represented a significant additional benefit alongside the value of the loan.

Following this process of negotiations CAF Venturesome provided an unsecured loan with an interest rate of 6%. This was more expensive than a secured loan from mainstream sources but CfL did not have sufficient assets to take the latter option. CfL were able to repay the loan through a mix of income streams, primarily earned income from expanding its programme of events and seminars, and building up the charity’s consultancy work.

The loan enabled Campaign for Learning to deliver the needed restructuring and opened the door to a new future for the charity. Tricia was keen to point out, however, that while social investment was key to the survival of the charity, it should not be seen as a panacea:

‘It’s important that you look at social investment as part of the mix’

Tricia Hartley, Campaign for Learning

Charities that have historically received most of their income from grants and donations, however, may not have the business model, financial skills or systems to manage and repay an investment—although charities can take steps to become more ready for social investment. Richard O’Brien at CAF Venturesome made the point that often their preparatory work with charities before any investment is agreed can be very useful for charities in testing their investment readiness and building internal capability.
There are a number of organisations that can support social sector organisations taking their first steps into the world of social investment, as well as specific funds helping charities to get investment ready (e.g., the Impact Readiness Fund from the Cabinet Office and the Social Investment Business). Big Society Capital provides a useful gateway to help charities (and their trustees) understand how to get investment ready and where to get the investment from.

The benefits of social investment—business discipline

As well as providing much needed finance there can be a number of additional benefits from social investment, particularly in relation to organisational capacity and engagement with others in the field. Melanie Mills set out some of these additional benefits, stating that social investment can:

- **Be more flexible than grants.** Investors can be more flexible than grant funders, allowing for a change in the approach/business model which might not be permitted under the terms of a grant agreement.

- **Foster business discipline.** The process of becoming investment ready and managing the investment can help charities to improve their financial and business processes, and can increase clarity on their priorities and objectives.

- **Bring wider support and engagement with a charity’s mission.** Social investment can bring in a new group of stakeholders/investors interested in supporting the outcomes of the charity.

- **Bring involvement/expertise from motivated investors.** The provision of finance may be only part of the relationship with an investor, who may bring expertise and give the investee access to their wider networks.

- **Enable enterprises to direct grant income to where most needed.** Some projects can never be funded by social investment and will always require grant funding. Social investment can be used for projects with the correct business model, freeing up scarce grant funding to go to those projects where there is no funding alternative to grants.

Advocates for the UK’s social investment market also argue that it can benefit the wider sector beyond simply the charities receiving the investment. The sector-wide benefits fall largely in two areas: firstly, as social investment is repayable, the capital is therefore recycled and available for use to support more charities and social sector organisations. Secondly, social investment can attract new money into the sector from individuals, mainstream finance and the private sector.

‘It’s not ok for us as a [social] sector not to know about social investment’

Melanie Mills, Big Society Capital

Challenges and risks of social investment: advice for trustees

While social investment may provide a route to alternative finance in a context of diminishing traditional funding streams, it does come with its own risks and challenges. Often these risks are tied to the type of social investment. For instance, secured loans carry the risk of repossession in the event of default. While charities with unsecured loans may not face this repossession risk, interest rates will be higher meaning funds going to repayment rather than to service delivery. Equity investments carry their own challenges, and organisations risk loosing a degree of control over their model and/or mission.

Overall the repayment aspect of social investment means that the investee has to use resources that it would otherwise be using for its own purposes to repay the investment. This may jar with the values of trustees, staff and other stakeholders who feel all of the charity’s resources should be directed to furthering its charitable mission.
Melanie Mills was keen to point out that these risks and challenges, like those that derive from other sources of funding, can be mitigated and managed. The panellists had a number of tips for trustees in helping understand and manage risks, and supporting their charities to become investment ready:

- **Be prepared to put the time in.** All of the panellists emphasised that the process of accessing social investment was fundamentally different to, and far more involved than, lending from mainstream financial institutions. Trustees need to work with senior management and investors to get an organisation ready for investment—this can at times be a challenging process, but one that will have lasting benefits.

- **Ensure buy-in across the organisation.** Consensus between trustees and management is essential for successfully accessing and utilising social investment. Resistance to alternative sources of financing must be resolved before an organisation looks to take on investment. If resistance remains, social investment may not be the right option. Detailed business planning and messaging around how the money from social investment will be used is crucial to fostering buy-in across the organisation.

- **Don’t be over-cautious!** Tricia Hartley spoke of her experience and explained that the Campaign for Learning did not take the full amount of the loan offered by CAF Venturesome as Board members were understandably cautious about repaying a large amount. In hindsight she felt that this was a mistake as it limited the flexibility the loan offered the organisation. She advised other organisations in similar situations to listen to the expertise of social investment finance intermediaries (SIFIs) and take all that is offered.

> ‘Social investment is not always easy, and at times it is very uncomfortable but if you come out the other side it’ll be worth it’
> 
> Melanie Mills, Big Society Capital

### Crowdfunding

Crowdfunding is becoming one of the most high profile forms of alternative finance, with examples of innovative organisations snubbing mainstream lenders by attracting funding ‘from the crowd’ regularly making the news. While the media tends to focus on private sector start-ups or unusual products, such as the travel jacket that recently broke records, charities can and are taking advantage of crowdfunding too.

### What is crowdfunding?

Crowdfunding is a form of alternative finance that enables the funding of projects or organisations from a large number of small contributions (typically individuals over the internet) rather than from a few large contributions (ie, mainstream lenders or funders). The process is enabled via online platforms (eg, Crowdfunder and Kickstarter), which host individual’s/organisation’s pitches for funding and connect them to potential supporters/funders.

A key component of most crowdfunding campaigns and platforms is the setting of fundraising targets. Individuals or organisations looking to attract funding in this way will set a fundraising target and a specific amount of time in which pledges can be made. If the fundraising target is met or exceeded then the organisation will get to keep this money, but if the target is not met the money will stay with the individuals who made the pledge. This ‘all-or-nothing’ approach is the dominant mechanism across the majority of crowdfunding platforms, although there are some that take a different ‘keep-it-all’ approach where the organisation will keep the money pledged even if the target is not reached (see Figure 2).
Peter Baeck, who has led Nesta’s work in this area, gave an introduction to the topic, describing in greater detail the four distinct models of crowdfunding: reward-based; lending-based; equity-based; and donation-based (see table below). Setting out evidence from Nesta’s research with the University of Cambridge on alternative finance, Peter described the significant growth across the different models of crowdfunding in recent years, with, for example, equity and rewards-based funding seeing a four-fold and two-fold increase in market size respectively between 2012 and 2014.

<table>
<thead>
<tr>
<th>Model</th>
<th>Description</th>
<th>Example platforms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reward based</td>
<td>Enables people to contribute to projects and receive non-financial rewards in return, usually operating a tiered system where the more you donate the better the reward you receive.</td>
<td>Crowdfunder, Kickstarter, We Fund</td>
</tr>
<tr>
<td>Lending based</td>
<td>Projects or businesses seeking debt apply through the platform, uploading their pitch, with members of the crowd taking small chunks of the overall loan.</td>
<td>Funding Circle, Lending Circle, Kiva</td>
</tr>
<tr>
<td>Equity based</td>
<td>Enables the crowd to invest for equity, or profit/revenue sharing in businesses or projects. This form of the model has been the slowest to grow due to regulatory restrictions of this type of activity.</td>
<td>Crowd2Fund, Lending Circle, Microgenius (Community Shares Unit)</td>
</tr>
<tr>
<td>Donation based</td>
<td>Allows charities, or those who raise money for social or charitable projects, to gather a community online and to enable them to donate to a specific project.</td>
<td>Chuffed, Global Giving, Just Giving</td>
</tr>
</tbody>
</table>
When is crowdfunding appropriate for charities?

While current engagement with crowdfunding across the sector is so far limited, panellists were keen to emphasise the advantageous position of charities and other social sector organisations. Jess Ratty, from Crowdfunder, emphasised the point that creating a compelling story is an essential ingredient to a successful campaign—something that charities should find easier than organisations without a clear social or environmental mission.

‘A cause-related, emotional investment is the foundation of successful crowdfunding’

Lisa Westcott Wilkins, Dig Ventures

Case study: Crowdfunding archaeological excavation

DigVentures tapped into people’s passion for archaeology in the UK and across the globe to successfully complete four crowdfunding campaigns and launch their own heritage-focused funding platform.

DigVentures was set up in 2011 with the aim of tapping into, and catalysing, people’s (often nascent) interest in archaeology, at a time when funding from traditional sources (universities, local authorities and commercial archaeology companies) was in serious decline. This aim led them to a rewards-based crowdfunding model enabling them to fund digs, while rewarding project backers with the opportunity to be directly involved in archaeological research.

In July 2012 DigVentures launched the world’s first-ever crowdfunded archaeological excavation at Flag Fen, a Bronze Age wetlands site near Peterborough. The campaign raised £27,000 over 90 days and received contributions from over 250 individual funders from 11 countries. Following the success of Flag Fen, DigVentures launched three further campaigns, in total raising £50,000. The social enterprise is also now supporting other archaeological and heritage projects to use its platform, which operates a ‘keep-it-all’ model allowing campaigns to keep all money pledged even if they fail to meet their fundraising target.

Key to the success of the four campaigns has been in engaging project supporters to participate in the archaeological research process, either in person or online. The Flag Fen campaign, for instance, trained 120 people in archaeological field skills and brought over 2,000 visitors to the site. DigVentures’ Digital Dig Team was set up to engage the 50% of funders who didn’t come to the site in person, enabling them to see discoveries being made in real time.

Crowdfunding has, therefore, enabled DigVentures to engage a far wider community than would have been possible through traditional funding sources. The sustainability and scalability of this approach is, however, based on a significant organisational effort to capture, support and deepen this engagement.

‘One click is the beginning of people’s journey’

Lisa Westcott Wilkins, DigVentures

As with social investment, crowdfunding for many charities must be seen as part of the funding mix, rather than as a complete answer to funding problems. Peter Baeck’s research has shown that crowdfunding can be useful in providing funding for specific and finite projects and particularly those that have ‘fallen through the cracks’ between traditional funding sources.
The benefits of crowdfunding—reaching a new audience

A criticism that has been levelled at charities participation in crowdfunding is that it is purely a ‘new mechanism for raising old money’. Nesta’s research has shown, however, that only around a quarter of people making pledges on reward-based or donation-based platforms say that they would have otherwise used that money for traditional charitable giving. This indicates that crowdfunding could provide a significant source of additional funding to individual charities and the sector as a whole.

As well as raising extra funds from individual donors the panellist talked at length about some of the additionalities, both financial and non-financial, that crowdfunding can generate:

- **Engaging new supporters.** Campaigns on crowdfunding platforms can reach people who would not otherwise have engaged with a particular cause or charity. DigVentures recorded an increase in visitor numbers to their Flag Fen site of over 29%, with over 60% of these never having visited the site before.

- **Creating new advocates.** If charities are able to reach out to new supporters and successfully engage with them (eg, through reward-based mechanisms), this can set in motion a multiplier effect whereby they become advocates for the cause and attract further support. Social media plays a key role in communicating campaigns, with Peter Baeck’s research showing that 68% of people who used donation-based crowdfunding and 33% of people using reward-based crowdfunding first found out about a campaign through social media channels. The centrality of social media to the process means that new supporters can quickly become advocates by promoting campaigns through their networks.

- **Extending geographical reach.** The online communities around major crowdfunding platforms mean that campaigns can have a far wider geographical reach than many other fundraising activities. DigVentures, for instance, have received contributions from other European countries, North America, Australia, South Africa and China. This broadened geographical reach has not only attracted funding from further afield, it has also supported the development of strategic partnerships in Europe and the US—which is opening the door to new archaeological projects overseas.

- **Drawing in match funding.** Raising money through crowdfunding gives a clear indication of how popular a particular project could be once developed. Reaching a fundraising target is, therefore, seen as a validation of an organisation’s idea and/or model and for this reason, successful campaigns can attract further match funding. Peter and Jess both gave the example of Crowdfund Plymouth set up by Plymouth City Council as a way of validating public support for potential projects. Projects that have successfully reached their fundraising target are provided with additional match funding from the Council (from a pot of £60,000). Similarly DigVentures has managed to leverage £375,000 from the £80,000 it has raised through crowdfunding.

- **Accessing non-financial support.** Initial backing for an online campaign can be the start of far deeper engagement, with supporters providing more than just financial support. Nesta’s research, for instance, shows that 27% of backers on donation-based crowdfunding platforms had also offered to help or volunteer with the project.

Challenges and risks of crowdfunding: advice for trustees

To some extent crowdfunding represents a relatively low-risk and low-cost form of fundraising. At its most basic level, it simply requires an organisation to set up an online campaign via a crowdfunding platform, set a fundraising target and a time period for that target to be reached.

However, this somewhat glib description masks a whole range of actions that are required for a successful crowdfunding campaign. According to Peter Baeck, some 55% of campaigns on most platforms fail, so if charities are relying on securing the funds from a particular campaign then this can represent a high risk strategy—particularly if minimal resource is put into developing and disseminating the campaign.
Delivering a successful campaign is therefore dependent on overcoming both internal and external challenges—ensuring sufficient and appropriate organisational input and successfully reaching and inspiring individuals who may have had no contact with your charity previously. The panellists had a number of tips to help trustees think through these challenges:

- **Be realistic.** Jess Ratty emphasised the need for charities to be realistic about the funds they need to raise, understanding the number of pledges required to reach their target. Charities also need to have a good understanding of the terms and conditions of the platforms that they are using including which model they operate (ie, ‘all-or-nothing’ or ‘take-it-all’) and what fees are involved (with many platforms taking a percentage of the money raised).

- **Be prepared.** Creating a successful campaign requires substantial thought and careful planning both about what project to fund and what messaging should accompany it. Lisa Westcott Wilkins emphasised that crowdfunding is an organisational effort. While the development and/or social media team will have an important contribution to make, input into the campaign should not be confined to them, but rather should draw from across the organisation. This is important for securing internal buy-in, for ensuring that messages are communicated effectively and guaranteeing that value is returned to the campaign’s backers (see reward your backers).

- **Prepare the crowd.** It is important to build awareness and anticipation before a campaign goes live. Jess Ratty stressed the need to use social media channels to build an audience of potential backers, possibly setting out early-bird or exclusive rewards to ensure the campaign gets off to a strong start.

- **Reward your backers.** Giving real value in exchange for financial backing is, for Lisa Westcott Wilkins, the key ingredient in successful approaches to crowdfunding. This demands ‘a whole new model’ which requires charities to develop rewards/experiences that connect backers’ interests to a charity’s mission and day-to-day activities.

- **Maintain the momentum.** After the initial flurry of activity preparing and launching a campaign there is a danger that fatigue can set in both within the charity and among the crowd. Jess Ratty said it is therefore important to have a marketing/communications plan in place to keep the momentum going, ensuring the message continues to reach new people and that new content is introduced as the fundraising deadline draws closer.

‘No man is an island, and it’s never been truer for a crowdfunding society. Getting a team involved and having individual roles and responsibilities not only spreads the load, it also increases the reach of the project exponentially’

Jess Ratty, Crowdfunder

**Conclusion—New challenges, new opportunities**

Social investment and crowdfunding offer charities the potential to generate significant value and create new, or expand existing, income streams. They present an opportunity to diversify an organisation’s funding mix in a context in which the traditional funding landscape looks increasingly uncertain.

These new forms of finance should not however be seen as a cure all, and trustees need to assess whether they would help their charity to further its mission and become more effective. If the answer is yes, trustees still need to understand the potential risks and challenges involved. Some degree of risk is involved in any funding mechanism, so this shouldn’t put charities off—however, the board of trustees needs to ensure that a robust plan for mitigating risks is in place.

If circumstances are right for a charity to take on these alternative forms of finance, it is crucial that trustees support buy-in across the organisation and support management to take advantage of all of the opportunities—
both financial and non-financial—that they present. Getting ready for social investment can be just as transformative to a charity’s operations and its understanding of the social return it ultimately receives. Similarly, engaging the crowd and creating a new cohort of supporters and volunteers can have longer-term effects than the crowdfunding of a single project. Social investment or crowdfunding therefore require deeper organisational engagement than their labelling as ‘alternative finance’ might suggest, the rewards, however, can be long-lasting.

References and further reading

1 NCVO Civil Society Almanac 2015
3 http://www.socialinvestmenttaskforce.org/
4 https://www.gov.uk/government/groups/social-impact-investment-taskforce
5 https://artsimpactfund.org/


NPC is a charity think tank and consultancy which occupies a unique position at the nexus between charities and funders, helping them achieve the greatest impact. We are driven by the values and mission of the charity sector, to which we bring the rigour, clarity and analysis needed to better achieve the outcomes we all seek. We also share the motivations and passion of funders, to which we bring our expertise, experience and track record of success.

**Increasing the impact of charities:** NPC exists to make charities and social enterprises more successful in achieving their missions. Through rigorous analysis, practical advice and innovative thinking, we make charities’ money and energy go further, and help them to achieve the greatest impact.

**Increasing the impact of funders:** NPC’s role is to make funders more successful too. We share the passion funders have for helping charities and changing people’s lives. We understand their motivations and their objectives, and we know that giving is more rewarding if it achieves the greatest impact it can.

**Strengthening the partnership between charities and funders:** NPC’s mission is also to bring the two sides of the funding equation together, improving understanding and enhancing their combined impact. We can help funders and those they fund to connect and transform the way they work together to achieve their vision.