

# No bad philanthropy?

**Jessie Cutts and Felicitas von Peter**

**A lot has been written in this issue of *Alliance* by advisers and observers of the field about what donors need, but what do philanthropists themselves say? What's their view of advisers? And of their own philanthropy? A consortium comprising Active Philanthropy in Germany, Shaerpa (an organization backed by the Noaber Foundation in the Netherlands), a partner from Switzerland and human-centred design and innovation consultancy firm IDEO recently asked a number of existing and would-be donors and experts in the field for their views on these and other matters.**



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Europe has seen an unprecedented growth in personal wealth over the last 50 years. With that in mind, the project sought to answer two principal questions: how can we increase awareness of the growing market of engaged philanthropy? How can the sector help potential philanthropists become more active in their engagement?

Over a period of two weeks, the team carried out 15 exploratory conversations with actual and aspiring philanthropists and experts in the UK, Switzerland and the Netherlands. Patterns emerged early in the research which helped us understand the needs of philanthropists.

Perhaps most obviously, philanthropists feel deluged with information about the problems in the world, some to the point where they feel quite helpless to make a difference. They want more stories about their potential impact. And since, as one respondent remarked, 'even the most hardened capitalist likes to read the stories', it is also important to appeal to both the heart and the head.

While philanthropists have different appetites for risk, all recognize that risk must be a part of their philanthropy: to have meaningful impact, new solutions may be required. Many of the philanthropists the team spoke to came from entrepreneurial backgrounds where risk is a way of life. They recognize the value of learning through trying out new solutions. We heard: 'Risk is positive, if you fail, you learn.' However, they are also looking for transparency of information so they can make informed decisions.

Another key point to emerge was that, as far as philanthropists are concerned, there is no 'bad' philanthropy. Philanthropists want positive recognition for all their activities. With this in mind, a starting point for anyone working with a philanthropist could be to embrace all that the philanthropist has achieved to date, and then help them to see ways to increase the impact of their work. Potential access to new and interesting networks is always of interest for philanthropists. It is not just about the networks of experts though. They are eager to access networks of other philanthropists – they place a lot of value on the views of their peers.

However, perhaps the most challenging finding for organizations promoting engaged philanthropy is what emerged when we asked about philanthropy advisers. On the one hand, philanthropists potentially view advisers, lawyers and bankers as a barrier to getting close to what they care about, a 'middle man' if you like. On the other hand, people principally relate to people, not organizations: if a philanthropist trusts the person, the organization that person represents is largely immaterial. Advisers across the board need, therefore, to position themselves carefully in the relationship.

All the people interviewed were open to understanding how they could engage more in their philanthropic activities to increase their impact, and given the amount of untapped funds across Europe, this certainly presents an enormous opportunity. In times of recession philanthropists are just as eager to create more impact with less, so there is a clear need to service the area. We heard: 'If you've been strategic about making money, you're more likely to be strategic about giving it away.'

The question to be tackled next is how the market will respond to this enormous opportunity? @

