2022 Dame Stephanie Shirley Lecture for the UK Philanthropy Archive - by Fran Perrin, 12th October

I'm honoured to be here at the University of Kent to give the first Dame Stephanie Shirley lecture in person. The UK Philanthropy Archives is an incredibly important project because without knowledge, without records or data, we can never have a meaningful understanding or debate about the value and contribution of philanthropy.

I want to talk to you today about the importance of data in philanthropy and charities.

It is an auspicious day to be doing so because the unprecedented financial turmoil for the United Kingdom is due to the government not publishing its spend data alongside its revenue data. Market analysts seeing a gulf between the stated ambitions of the government and the reality of the numbers lost confidence in the government.

The yardstick which the markets use to judge governments as well as companies is having clear transparent data to support your decisions and to make sure the numbers have integrity and add up.

Over in philanthropy land of course it's normal to have a gulf between your stated objects and the money to hand. Opacity about where the money has come from and where it is going sadly is the norm.

Charities and philanthropists are not traded, do not seek profit in the market, do not have shareholders to protect from bad management. So there is no case for us to have such a huge and elaborate industry of rules, regulations and analysis of data as companies do.

But to make the sector work better to deliver better results for our beneficiaries we need basic data about money going in and money coming out of charities. Things need to change. Today I'm going to talk about my part in making that change and what still needs to be done. For those of you on your phones google up grant nav 360 giving and play with the data while you listen to me and tell me what you find at the end.

Introduction

We don't have to imagine how chaotic the financial services sector would be without basic information such as Bloomberg and Reuters - we can see it for ourselves in the charity sector. Lacking universal current information about who is spending on what adds huge transaction and information seeking costs for investors and hard pressed people trying to raise money. It increases risk and reduces effectiveness per pound spent. We can build a better future for philanthropy and charities by improving transparency about money flows in

the sector. I founded 360Giving, a charity that helps grantmakers publish data about grants they make. So far over 230 grant makers have openly shared over 750,000 grants worth over £175 billion.

Increasing transparency and inclusion is key for creating more equitable and effective partnerships across the social sector. Greater openness can increase efficiency, by saving time and resources. It can lead to better outcomes, due to better information and insight, and more creativity and innovation. It can enable more democratic decision-making and organising. Ultimately, it offers the antidote to the inequities and power dynamics that are holding our sector back. However, in attempting to fulfil this role, infrastructure organisations face a great many barriers both old and new, and both internal and external.

My journey as a donor

But I want to start with my own journey as a donor. I became a donor at the age of 18 when I inherited wealth. I knew I wanted to give the money away but that was about all I knew. I've been a philanthropist for 20 years now, so believe me when I say I've made all the mistakes there are, but hopefully learned from them along the way.

When I started as a donor, there was an internet but no Google and no social media. I went from being a nerdy teenager - and winner, at 14, of a video gaming competition, to an advisor in the Prime Minister's Strategy Unit on technology and data policy. I worked in policy think tanks, in the Cabinet Office, running my own Foundation, and as a Board member with The Philanthropy Workshop and New Philanthropy Capital. I now work with the Giving Pledge and advise groups such as the Asian Philanthropy Circle.

Throughout these parallel careers as philanthropist, fundraiser or policy geek I was struck that the philanthropy sector lacked many of the basic things that made the government and corporate world tick. In particular the opacity was strange - if we were doing good work, why couldn't people find out about it? I am not the only one observing this - modern thinkers about philanthropy focus very quickly on the importance of transparency to legitimacy.

Problems - Critique and defence of philanthropy

I believe in the power and contribution of philanthropy. Dr Beth Breeze,here at Kent has given us a powerful and clear eyed defence rebutting many of the recent critiques. I'd like to add my own voice to Beth's. But we cannot have a meaningful debate about the impact and value of philanthropy without being able to measure the inputs.

Rhodri Davies writes that: "The challenge for both charities and donors is to quantify the value of the work they do in a way that takes account not just cost savings to the state but also less tangible elements of value such as (advocacy and campaigning or community building). This is not a simple task, but if we can spell out some of these elements of the.. we can offer a much stronger case for why it makes economic and political sense for the government to continue to support and encourage giving through the tax system."

The best way of being transparent about past grants is to publish the data in such a way that they can be found. Hence 360 Giving.

Rob Reich of Stanford University argues that much of the existing framework around philanthropy, such as tax incentives, is hard or impossible to justify. He believes that contemporary philanthropic structures undermine democracy and increase inequality by allowing the existence of enormous private foundations that are largely unaccountable, opaque and benefit from significant tax incentives which have the effect of offering a public subsidy to private giving. For Reich, the lack of accountability and transparency might be justified if foundations were not tax-subsidised, but that is obviously not the case.

He's best known for his criticm, but hidden on one page, he also offers (very briefly) a very strong defence of philanthropy.

Foundations can play a role in shaping the production of public goods in a way that government cannot, and guarantee the independence of the charity sector. This is the argument for pluralism. Secondly, governments are notoriously bad at experimenting and innovating in public policy. They may be judged by success and voted out in four or five years if they don't deliver. Foundations - with their long time horizons and lack of accountability - are, by contrast, well positioned to try experimental, long-term approaches. If successful, these can then be passed to the state or market to take up as they see fit.

Where I agree most passionately, is that in individual philanthropy the goals should be pluralism and decentralisation of power in the definition and production of public goods. Foundation philanthropy, meanwhile, should be experimentalist and long-term to find what works.

Lack of transparency

The British system and many others around the world trusts the trustees to guard for the public interest - the clue is in the name. Trustees are independent but are also creatures of the charity or grant making trust. Their act of governance is very internal - yes rolled-up accounts have to be published and the trustees have to write a simple report but these are often opaque. The system is designed for internal governance with scant external checking. The Charity Commission for England and Wales can of course investigate malfeasance but has very limited resources to do so.

This allows foundations often to work in secret, whether intentionally or accidentally. They are not required to have a website, an office, or to outline their grant making strategy. They need not identify all beneficiaries of their grants, nor the size of grant given away to any particular organisations. They don't have to evaluate their grant-making; or to make those evaluations public. They don't have to report on trustee decision making. Foundations sometimes do act transparently, sharing all of the above information and more. Too often foundations can become what Rob Reich describes as "black boxes, stewarding and distributing private assets for public purposes, as identified and defined by the donor, about which the public knows very little and can find out very little".

Gemma Bull and Tom Steinberg wrote in their recent "Modern Grantmaking":
"People who work for non profits and other grantseeking organisations are constantly stumbling across funders who may or may not be right for them - squinting at oblique guidance or eavesdropping on rumpus about the types of grants that have been made in the past."

These grantseekers then very often spend quite a lot of time and effort - and money - slowly painfully establishing that a particular funding organisation is not even remotely interested in what they do. But by the time this has happened, both sides have often spent weeks or months in a time-consuming dance. This enormous waste of time and money happens because too many Foundations are opaque by default. Some of the reasons for keeping funding secret are practical. Grantmakers fear being buried in funding applications or critiqued by the Press. Or they are working from a sincere belief that giving should come from a place of humility, not ego. That giving should be about the beneficiary not the donor.

In an age of deference this might have been ok. But modern minds are more inquiring and are less prone to take things on trust. To hold confidence in grant making in the future we need a more modern, transparent system. Funders are in a unique position to hold ourselves to a much higher standard when it comes to accountability.

We don't underestimate the challenge of trying to be more transparent. The road to routine transparency for most funding organisations is long and hard, but it is ultimately worth it.

Lack of accountability

Accountability can have different purposes - from accountability for efficiency and reassurance to accountability for learning and improvement.

Keeping of records and making those records transparent of public companies evolved because governments need to know how to levy tax, investors need to understand how to invest and shareholders needed protection from bad management. In the second half of the twentieth century, governments began to set rules that became near global rules for how companies report. Earlier this century, after a series of disasters, reporting rules have become stricter and stricter. For recent disasters we need look no further than Wirecard and Enron. There are strong external pressure on companies, both rational and regulatory to present detailed information about their activities.

As I said earlier philanthropy is different.

The lack of data is not just inefficient but prevents accountability. Jenny Harrow has written persuasively in her essay "Accountability in 4-D" that if philanthropy is seen as social actions involving the making and keeping of public promises for social good by private individuals and groups, then proactive information provision - contrasting with 'complying with' or 'surrendering' information to public regulators - has a role to play in demonstrating how these promises are being kept. Transparency is necessary but not sufficient for true accountability. Giving in secret is praised by many religions, but the case for anonymous giving encapsulates the ambiguity of philanthropy as private actions for public benefit.

Openness concerning philanthropy's decisions and funding choices, and clarity in reporting the limitations, as well as the gains, of its work could make philanthropy an accountability exemplar, retaining the confidence and power to publish its accountability led learning because it wishes to, not because it has to.

The problem is there's no data

How can we talk about transparency and accountability without data? As of today, it's still not possible to find a complete dataset on all charitable grants provided in the UK. This means the huge financial flows—funds from grant makers to grantees—are opaque. This vastly increases costs for all actors in the sector. Collaboration between grantmakers is made harder, due diligence is done with limited information and grant applicants face significant information barriers to find out who might fund them.

This information gap impacts on all areas of grantmaking in the UK. Central government allocates over £4.6 billion in grants to the voluntary sector every year. Comprehensive grants data would allow us to see which organisations this funding reaches and how it complements the grants made by National Lottery funders, local authorities and the £7 billion of grants made by charitable foundations. The UK's lack of grants data also impacts on emerging trends in public and political discourse. Food banks have become an important part of the UK's response to food poverty over the last decade. But there is no comprehensive data on where they receive funding from, and how this funding has changed. This also impacts on grantmakers' own development.

A grantmaker working in a defined geographical area, for example Wales, would want to develop its strategy based on data that gives a picture of who else is funding in Wales, what they have funded, what the contribution of UK or EU government grants has been and how this funding has changed. Without consistent data from these sources, funders are planning for the future based on their own assumptions about the funding landscape, rather than what is actually happening. Organisations seeking grants also lose out. A fundraiser working for a small charity needs information to help them decide which funder is best to approach for funding. They need to know what the funders have previously funded, what their strategy and acceptance criteria are. Without this information, fundraisers waste time and resources on inappropriate applications. Ultimately, these information gaps impact negatively on grantees and, most importantly, their beneficiaries—the people and organisations that grantmakers want to support.

We know it doesn't have to be like this because the USA and Canada have far greater transparency about charitable grant making - in the USA's case by virtue of their tax system.

You wouldn't try to do financial investments without any information, with no FTSE 100, with no Reuters. Philanthropy can feel a bit like giving in the dark and I want us to have better information so we can make the best decisions.

360Giving consists of two parts. It is a registered charity that supports grantmaking organisations to publish data about who they fund, and supports those organisations and

others to use the data to inform their work. It is also the steward of a data standard—the '360Giving Data Standard'—which provides a common format for sharing data about grants. Both parts of 360Giving—its support work and technical stewardship—are crucial to the initiative's success.

The 360 Giving Story

360Giving was created to fill this information gap. I founded it in 2014 as I found that much less data was available to inform grantmaking compared to data for making corporate investments. I felt I was "giving in the dark". It's not just about transparency but self interest … I want to know what people are doing so I can learn from them, I can collaborate with them and I can get better at my job.

The 360Giving Data Standard was developed and piloted in 2014 before the organisation was formally registered. It began concept workshops. We wanted to find out "Why has no one done this before?" I thought there must be a good reason!

A team of brilliant data experts were contracted to develop a standard schema. If this sounds confusing - it's not. It's a template that says: let's all agree to put the charity name in column A and the grant amount in Column B. It's like standardising electric plugs and sockets. This standard was then piloted with a test group of grantmakers. Firstly, it had to work on the grants made by my own Foundation The Indigo Trust. Nominet Foundation and NESTA were both early partners and innovators. The data standard provides a simple framework for publishing grants data, with flexibility to allow the representation of more complex grantmaking transactions if needed. From the start we built it around simplicity. This had to work for a tiny Foundation through to national grant makers.

I spent the next years as an Ambassador and arm twister - talking to any and every Foundation Chief Exec or Chair who would listen. Explaining how the simple act of publishing their grants to an open and shared standard would benefit them and the charities they supported. One by one they joined us. Meanwhile I built 360 into the charity it is today, driven by two extraordinary women, Rachel Rank and Tania Cohen our first and current CEOs. The work has always been funded by philanthropists themselves and every piece of code is free to be reused by anyone.

The aims of 360 work

As a campaign and a charity itself, 360 Giving has three main aims.

Firstly, to normalise open data sharing
This involves supporting grantmakers to publish data about the grants they make, both helping grantmakers to publish data for the first time and supporting existing data publishers to continue to update their data. This work is done through providing guidance and tools that help get the data right, and also working directly with grantmakers through a helpdesk.

Secondly, to improve data quality. Building on the success of those grantmakers that are already publishing to improve the quality of their data. This could be about helping them to publish additional information —perhaps including details of the locations of activities. Or including a registration number for a recipient organisation so that that record can be linked to extra information about that organisation.

Thirdly, to Increase data literacy For charitable giving to be more data-informed, it is crucial that grantmaking organisations have the skills and resources to handle and use this data; but the sector has low levels of data literacy.

We know from bitter experience that infrastructure in almost any sector is a public good that the market won't deliver. Very few people make money from infrastructure, doubly so in the non profit sector. So I had to find partners to fund the work philanthropically and create a world class team to deliver it.

How data helps research and academia

Civil society is often misunderstood in the UK. Karl Wilding, who introduced me, knows this better than anyone! Its size, the contribution it makes to wider society, how many people it employs, how it's regulated, how it's funded and by whom—all of these important characteristics can be difficult to find authoritative research on. Open grants data helps people understand and talk about this in a more informed way and makes it easier to use funding data alongside other datasets.

There is an increasing demand within civil society to give communities more of a voice and the need for deeper, closer connections. Better data can help to understand communities, and identify similarities and differences between communities. In 2018 the Young Foundation published "Patchwork Philanthropy", an examination of the geographical patterns of philanthropic and charitable spending across the UK. The report mapped these patterns against other datasets describing society such as measures of deprivation. The report also focused on the results of the 2016 referendum on whether the UK should leave or remain in the European Union, and examined the differences between areas that voted to leave or remain. The research used data from 360Giving to provide a picture of philanthropic spending. Data on grants made by funders with a national reach across a specified timeframe was matched with geographical data describing the location of the organisation receiving the grant.

Local Trust, a grantmaking foundation that provides residents with the power to make grants in their own areas, and Oxford Consultants for Social Impact (OCSI) have used 360Giving data as part of the construction of an aggregate index highlighting areas that are "left behind" Their Community Needs Index brings together data from a range of sources to highlight areas that are lacking in civic assets, are not connected to key services and infrastructure and have low levels of community participation.

How data helps better informed grant making

It's not just researchers and academics that want information on funding flows. Grantmakers and grant seekers do too. One of 360Giving's key objectives is to provide data that leads to better-informed grantmaking. Sharing grants data openly, particularly where it includes geographical data, allows for mapping of grants against measures such as levels of deprivation. 360Giving enables the inclusion of standard geographic identifiers in the published data, through including government issued area identifiers or through postal codes. This analysis provides great value for grantmakers in understanding where their grants go, but is also straightforward to perform without advanced data analysis techniques, so is accessible to even small grantmakers.

Open grants data can also contribute to a more systematic assessment of grant making strategy. New Philanthropy Capital (NPC), a charity which supports grant makers, charities and others to achieve the greatest impact, released a report called "Tackling the homelessness crisis: Why and how you should fund systemically".. This report used 360Giving data to look at grant funding for services related to homelessness and used the data to inform recommendations on how 288 homelessness funding could be targeted to be more impactful. Analysis of grantmaking in London allows local infrastructure bodies like London Funders to help their members plan their funding programmes.

Grantmakers can use 360Giving data to look at their work as a whole. These examples show the positive feedback loops from data publishing that allow grantmakers to plan and target their funding more strategically.

Covid 19 and funding data

Improving data isn't an abstract issue: when the pandemic struck, many charities had to quickly adapt to new and startling operational environments with a brutal immediacy , while philanthropists rapidly sought to understand how they could best make a difference.

It was imperative for philanthropists to react quickly and collaboratively in an informed, evidence-led fashion. At 360Giving we built a [Covid-19 Grants Tracker](#) to allow philanthropists to see where emergency funding was going. The timeliness of the data has been crucial in giving us an up-to-date picture of how emergency response funding has been distributed, thereby allowing grantmakers to make quick, informed decisions on what they should do next. The COVID-19 grants tracker now has information on more than £1.5bn worth of grants made as a response to the pandemic.

The use of data and technology are not emergency-use only. As Tania Cohen, 360Giving's Chief Executive, says:

> Information is an asset. It is also knowledge and power. With 360Giving data, we can map the landscape of UK funding so that anyone can easily find who is funding what, how much and what for. In so doing, it saves time and money for the sector, gives us a fuller picture of grantmaking in the UK and, crucially, helps bring about better outcomes for recipients.

Perhaps more than anything, the pandemic has demonstrated to philanthropy the need for agility, speed and flexibility. These must be essential elements of modern grantmaking and if we are serious about improving the future of philanthropy then we must be able to incorporate them skillfully and successfully into the planning, execution and analysis of our work. For many of us, the speed and frequency with which things have changed over the past two months have been unlike anything in living memory.

Where we are now with 360

This work has come a long way in just a few years.I am deeply proud that 233 funders in the UK have between them shared 750k grants, worth £175bn, published openly to the 360 data standard. Our original moonshot target of 80% of UK philanthropic funding has been met.

All parts of the charitable sector are represented in our funders and champions, from central and local government, community foundations, corporate foundations, family foundation and lottery distributors - from the largest to the smallest of donors.The UK government has adopted 360 Giving as the official government data standard for grantmaking data. And it has potential to become an international exemplar.

As the work is user led it continues to evolve. Diversity, or rather the lack of it, has been under scrutiny recently. We worked with a wide range of experts to develop our Diversity, Equality and Inclusion standard which enables Funders to capture and share data about charities ethnicity, disabilities, sex and other protected characteristics. Funders have already begun to amended processes and programmes as a result.

All of this has been achieved through voluntary change led by foundations without the need for legislation or regulation.

So, what's next for 360 and data regulation?

The biggest data gatherers in the sector are HMRC and the Charity Commission England and Wales (and the OSCA and NI) but their output of the data they gather is poor. The CCEW should follow sector-led innovation as it modernises its processes. HMRC gathers very detailed data about grants claiming tax relief without making it available as a public resource. The regulators should gather from medium and large grant makers output information about individual grants made and received then output that as data. It's a simple matter of fairness that the public should know in detail where money goes that has often had favourable tax treatment.

While we wait for regulatory change (and the long silence of the government in response to the Charity Tax Commission suggests it may be a long wait) we continue to build a non profit, free to use data infrastructure at 360Giving. Some data publishers now publish grants monthly.

In 2020 Danny Kruger MP published his report on civil society and the recovery phase following the coronavirus pandemic and beyond, "Levelling up our communities: proposals for a new social covenant". The report highlighted the extraordinary new dynamics of data

and digital innovation that have emerged over the recent crisis, and their importance for our recovery and for the future. It brought attention to the need for the government to get "its own house in order, data-wise". It recognises the value in the government sharing its own data.. The government adopted the 360Giving Data Standard for all grants data in 2018 though there is still a way to go to deliver on these promises.

Data and technology is of course no use without a future digitally skilled workforce in the charity world. Better coordination of funding, evidence-led selection of grantees and causes and more efficient reporting are just three of the ways in which tech and data can be harnessed to improve philanthropy. But in order to make the most of the potential of data and technology, philanthropists and those who work alongside them need the skills, understanding and inclination to work in a digitally-savvy fashion. The pandemic has highlighted the need for charities to be able to pivot towards digital technology, but we need a generation of grantmakers who understand issues such as user-centred design, accessibility and who can incorporate lived experience into their work. We need to be confident in using and interpreting data and to be sufficiently self-aware to recognise our limits and seek expert advice where appropriate.

As a sector we need to become much better at doing all of these things and we need to learn and improve quickly, as we will soon be left behind if we do not.

In conclusion, it should not be rocket science to see where all grant money goes. We should be able to see where in the UK is being underfunded, or overfunded. Grantmakers that already publish to 360 Giving have begun to see the benefits for themselves and their own operations.For the full benefits to be felt in society all funders must follow suit and publish their grants data openly and consistently to the 360Giving Data Standard.

The UK regulatory system is unlikely to force us to change. We philanthropists have to find it in ourselves to do so. To create that public good. To innovate and discover/

360Giving's goal is for data sharing tobecome a normal part of the operations of grantmakers, and for use of the data to become embedded in how the social sector operates. Reaching this knowledge 'funding utopia' will not be straightforward. We need to invest in skills and resources to properly share and use data about grantmaking and, most importantly, grantmakers, government, and civil society will need to normalise data sharing and use as part of their culture.

How can we defend philanthropy if we can't see the full picture of what is funded? How can we measure the impact of philanthropy if we can't measure the inputs? How can we ever understand the future role and value of philanthropy if we don't have the best knowledge of what it is.