

***'The difficulties charities will face in fund raising in the current climate, and the changes they will need to make.'***

In the light of the Jonathan Ross debacle, the BBC suggested that they would be giving an amount equivalent to Ross' salary to 'charity'.

For me, this is a bad case of deja vu, mirroring the situation this time last year, when Ant and Dec also pledged to give money to 'charity' following their phone-in fiasco.

The statements of Ross and Ant & Dec tell us a great deal about how the public have viewed charities to date. Nobody asked which charities the money was going to, or the impact of these charities. But I think that going forward, with the climate as it is, people will get more discerning over where their money is actually going, and what difference it will make.

There is not as yet, concrete evidence that the recession will bring the damning blow to charities that many expected. NPC advises donors of all shapes and sizes and we have not yet had people withdrawing or reducing funds. BBC Children in Need last week has a record response from the public raising 120m pounds. Barack Obama fundraised 150m dollars in September. The tap still seems to be turned on if the cause is pressing enough.

But it is inevitable that, in the long-run, giving will be hit by the recession. And this will mean that charities could end up competing against each other for funds, and will need to work hard to differentiate their organization from the rest.

I think they can achieve this differentiation by choosing to focus on results and effectiveness.

At present not enough charities are focused on measuring results. I've looked on a number of charities' websites and on every one I struggle to find any evidence of their impact. At NPC, we're guilty too, and we're working on improving this. But in general, there is not enough dialogue happening, and charities are frankly not putting enough time or resources into collating and communicating their impact.

I'm often astounded by how many charities I come across which don't know the impact of their work. I was recently sitting at a dinner next to a trustee from a large children's charity who said to me. 'it's terribly hard demonstrating and measuring impact, isn't it?' In the case of that charity their internal team was just four strong for an organisation spending tens of millions of pounds.

I'm not denying it can be hard—it requires effort and investment, and there may seem to be little motivation for charities to improve their performance management. Well-known chief execs of charities can still win awards for being great charity leaders for example, without it seems having to demonstrate the impact of their charities' work.

But I believe that charities will reap benefits from investing time and resources into measuring and finding ways to communicate their impact.

Firstly, it is obviously attractive to funders to understand the results a charity achieves at a time when they are looking to see the impact of every penny they give.



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And as I mentioned earlier, in a world where the charitable pot may be shrinking, strong results can help to set a charity apart from the rest.

Finally, data and information on results also allows the charity to learn about its own activities, assess what is and isn't working and use this information to improve its own services and efficiency.

I hope that the situation will change, and that charities will put more of their energy into measuring and demonstrating their impact. But this won't change because the ESRC sets up a new third sector research centre. It will only change if charity chief execs and board members push hard for it to happen and think rationally and carefully about how to allocate resources.

Measuring and communicating impact is not an easy thing to do. Which is one reason why we've set up a whole new team at NPC to build tools to help charities achieve this. One example of a tool being developed is a questionnaire currently being piloted with Barnardo's and The Princes' Trust which is designed to help charities measure the impact of their work on children's well-being.

We want to challenge charities to achieve impressive results and to raise their accountability to funders and to yourselves, but we also want to help them achieve this.

If in the future charities are going to be competing against each other for funds, I know which one I want to win the money—the one that can show it's work is making the biggest positive impact on someone's life.

***Martin Brookes was speaking at the acevo Annual Conference: 'Raising funds in difficult times' 28 November 2008.***



New Philanthropy Capital, 3 Downstream, 1 London Bridge, London, SE1 9BG

Tel 020 7785 6300 Fax 020 7785 6301 Email [info@philanthropycapital.org](mailto:info@philanthropycapital.org) Website [www.philanthropycapital.org](http://www.philanthropycapital.org)

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