

# Putting a value on philanthropy

**New Philanthropy Capital (NPC)** recently celebrated its second anniversary, and is gearing up for a burst of activity. Based in London, NPC is a research-driven boutique that provides institutional and private clients with advice on making efficient charitable donations.

Founded by a group of investment bankers and financiers, the firm has taken the investment banking model and translated it into the realm of charitable giving. Just as investment banks focus on specialist industry sectors, NPC focuses on its core themes of health and medicine, education, international development and the environment: Rather than companies and industries, its research focuses on a range of current themes, from domestic violence to HIV/AIDS in South Africa.

Discussing the rationale for NPC, Peter Mallinson – a former head of pan-European equities at Goldman Sachs and now a trustee of NPC – says he is amazed at the less-than-rigorous approach donors have towards philanthropy. “People will go to the ends of the earth to calculate the returns on their own investments, but

don’t remotely focus on how efficient their donations to charity are,” he said.

NPC was the brainchild of two Goldman Sachs partners – economist (and now BBC chairman) Gavyn Davies, and corporate financier Peter Wheeler. Both serve as NPC trustees. A number of eminent financiers have joined them. David Robins, former chairman and CEO of ING Barings, is chairman of trustees. As well as Mallinson, Peter Sweatman, formerly of JP Morgan, and Harvey McGrath, chairman of [Man Group](#), also sit on the board of trustees.

The firm has built up a 10-strong research team. Martin Brookes, former senior global economist at Goldman Sachs, is co-head of research along with Nigel Harris, a former Schroders banker. Many of the analysts also came from the market. Bernard Mercer, whom Wheeler has known since university days, was brought in to run the firm as CEO. He previously founded and ran NHBS, a wildlife and environment bookstore.

Since its founding, NPC – which has been described as an investment bank for philanthropy – has advised on more than

£15m of charitable funds involving over 50 charities. Using analytical tools employed in finance, NPC works with donors and charities to channel money and resources into projects and organisations that are setting the standard in tackling deprivation, disadvantage and degradation.

As well as helping donors plan their donations through an asset allocation-style approach, NPC has carried out research on hundreds of charities. Using an extensive screening process, the firm will only advise on donations to those it believes can utilise the funds efficiently. If charities fail to follow through on their commitments, NPC has advised donors to withhold additional disbursements.

“We believe there are many donors (and would-be donors) who possess the resources to make more substantial donations, but do not do so because they lack confidence that their funds will be put to good use,” the firm notes. “We hope that our work will not only encourage donors to continue and extend their philanthropy, but will also unlock new funding running into many, many millions of pounds.”