
Foreword from our Global Patron Badr Jafar



No one can predict the future, yet we can strive to become better informed about what is ahead and use that information to be better change makers, enablers and impact-driven almsgivers. It is with this spirit that I have engaged with and supported this global Future Agenda programme on the Future of Philanthropy. The programme seeks to embrace the convergence of seemingly disconnected experiences worldwide in order to share a unified perspective of the forces shaping philanthropy over the next decade. The hope is that doing so will help enhance these diverse philanthropic efforts' impact going forward.

Philanthropy, or private resources for the public good, has a huge positive benefit on society and the world in which we live. Our individual and collective desire to maximise positive impact means that as the world continues to evolve, so too must the practice of philanthropy. This report demonstrates that shifts in Power, Knowledge and Trust will provide both opportunity and challenge for those who wish to make the biggest difference most effectively. It also identifies many drivers and insights that will shape this landscape over next decade.

By way of example, I'd like to pull out four expected trends that stood out for me:

- 1) The next wave of globalisation will lead to a major increase in private philanthropic investment. Economic power will also continue to move southward and eastward. The fastest evolving markets, including the Middle East, Africa, Developing Asia, India, China and Latin America, will increasingly fortify and sustain themselves with less or little dependence on so-called 'western markets'. If properly cultivated, we should expect a similar shift in philanthropy, and the resultant lasting social change that will take place in these global growth markets.
- 2) At the same time, a new millennial philanthropic generation is rapidly emerging, inheriting not only massive wealth but also holding different beliefs and assumptions from their predecessors about how to optimise impact. To put this into context, it is projected that in the coming 10 years, 14,000 ultra-high net worth individuals globally are expected to pass on USD 3.9 trillion to the next generation, with a further USD 26 trillion passed on within the subsequent 20 years. The huge pool of philanthropic capital that will emanate from these inheritors can and should go a long way in addressing some of the acute social and environmental challenges they will also inherit.

- 3) Although statistics indicate that faith-based giving has witnessed a steady decline in the US, in other parts of the world this form of giving is on the rise and has been recognized as a vastly underutilised resource for achieving the Sustainable Development Goals (SDGs). For example, with Islamic philanthropy even a small fraction of current Zakat and Sadaqah – compulsory and discretionary almsgiving by Muslim donors which is estimated at between USD 250 billion to USD 1 trillion annually – applied in a coordinated manner could significantly contribute to global development and humanitarian aid requirements.
- 4) Another area offering huge potential is the increased availability of and desire for transparent information and the resulting insights generated through the application of data analytics. While data in and of itself is no panacea, there is no doubt that it will increasingly be used to make informed policy and philanthropic decisions. This is exciting, as it is clear that those who seek to maximize the impact of philanthropy and social investing today are keen on changing the current state of paucity of data, transparency and effective feedback loops, which if optimised would ultimately result in enhanced levels of trust between all stakeholders in the philanthropy nexus.

With rising global need, we simply must do better than the status quo. My hope is that this style of open collaboration helps all to make progress more quickly and more effectively. Sincere thanks go to all who have contributed to and enabled this programme and the valuable insights generated. We look forward to continuing this important dialogue and to building a more equitable world together.

Badr Jafar

Thanks to our Regional Hosts

The Future of Philanthropy Programme was organised in partnership with a number of leading organisations around the world. We would like to acknowledge and thank them for their collaboration and support. In particular we would like to thank our Global Patron Badr Jafar for his continued support of the initiative. This global foresight programme was made possible by their generosity and that of the participants who chose to join the workshops. The enthusiasm of all those attending our events shows that there is an appetite to share experiences, explore ideas, consider options and identify future directions. We thank them, most sincerely.

We would also like to thank Professor Cathy Pharoah, Visiting Professor of Charity Funding and Co-Director of the Centre for Charitable Giving and Philanthropy at Cass Business School.

In addition, we would also like to thank The Pearl Initiative and Philanthropy Age in encouraging the production and sharing of this report.

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Introduction

This report is written for anyone with an interest in philanthropy and how to make it more effective with higher impact in the future. We hope it will be useful to individuals, charities and other NGO's, businesses and governments as well as advisors to each of these audiences.

Taking the long view has never been easy. However, as change accelerates in an increasingly connected world, more organisations are looking further ahead to better understand emerging opportunities and threats. We believe that sharing knowledge across disciplines and across continents can add real value to the process, particularly as often innovation occurs at the intersection of different industries disciplines and challenges.

There are a host of changes that we need to think about when considering the next ten years. Some are incremental evolutions, and some are radical revolutions. The big challenge in any foresight programme is in differentiating these and gaining a clear understanding of which changes are most likely

The intention of this report is to consolidate expert views from nine workshops in seven countries around the future of philanthropy and how it will develop. This understanding will make it easier to shape a strategy that will address upcoming challenges and opportunities. We offer a summary of the key trends and drivers that will be influential and identify areas of potential change. As such the report provides insight about the leading edge of philanthropy today as well as where it might go in the future.

Our hope is that this will enable you to make a bigger difference for society in the years to come.



futureagenda

Launched in 2010, the Future Agenda programme is the world's largest global open foresight initiative. Taking place every five years, its aim is to identify and better understand societal issues in a global context.

The intention of the Future Agenda process is not only to obtain new views around the multiple topics explored but also to understand perspectives about the directions we should take, why, and with what consequence. To do this, recognised experts from a wide range of disciplines, are invited to answer a number of common questions on the future. These are published as initial perspectives and become the basis for ongoing, facilitated debate. In 2015 initial perspectives were developed across 24 different subjects that address everything from the future of health, energy, cities and work to the future of data, privacy and money. A minimum of 4 workshops on each topic were held across multiple geographies in order to identify the big issues, emerging challenges and cultural complexities for the next decade. In total over 120 workshops were held in 35 countries and as a result, well informed people from many different cultures, of different ages and with multiple perspectives, were able to contribute in person. Many thousands more participated online.

Between the major 5-year global programmes, each year we explore other topics of interest in more detail. In 2016, alongside bespoke research undertaken for a number of organisations, Future Agenda ran the [Future of Cities project](#). This was another major open foresight study involving workshops in 12 locations engaging with leading thinkers. The summary output of this project is available on slide-share and as a new report. Since then, other topics have included the [Future of Surgery](#) and the [Future of Automotive Data](#).

The core insights for the entire programme are shared via multiple platforms so that we can all be more informed on what others think about the next decade

and so make better decisions. As well as online materials on [slideshare](#) and [flickr](#), in 2016 two books have been published – ‘[The World in 2025](#)’ and ‘[Six Challenges for the Next Decade](#)’.

For 2018, the first key focus area has been in investigating the [Future of Philanthropy](#) – a global exploration of emerging changes at the intersection of philanthropy and impact investing.

Methodology

The Future of Philanthropy research began in 2017 when we Team invited Professor Cathy Pharaoh, Co-Director of the Centre for Charitable Giving at Cass Business School to write an initial perspective. This gave an overview of the current status of the sector, identified challenges and opportunities ahead and suggested ways forward. The team then used this to stimulate further debate in nine high level discussions which were held in Dubai, Kuala Lumpur, London (x2), Mumbai, Oxford, Quito, Singapore and Washington DC. Each conversation built on the ideas expressed and insights developed from preceding workshops.

In all, more than 200 experts drawn from academia, business, government, advisory, charities and non-governmental organisations (NGOs) gave their time and energy to join a workshop. In addition, many others commented, either online or in interviews. The Future Agenda then synthesised the output and supported the insights with case studies and examples.

This report provides an overview of the collective debate and, where useful, includes references to other areas of research.



Executive Summary

This decade sees philanthropy at a pivotal point. The evolving geopolitical landscape, the rapid creation of new wealth and a greater awareness of how philanthropy can create social change have already led to exciting innovation and new thinking. This is influencing approaches to giving and social responsibility across the world.

During our conversations three interconnected drivers of change were identified. They are Power, Knowledge and, inherent to both of these, Trust. They will shape the evolution of philanthropy over the next decade.

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Theme 1: Power. Exerting power and influence to create positive change has always been a key element of philanthropy. Looking ahead the experts we spoke to expect increasing fluidity over who holds power and how it is exerted, managed and regulated. As the centre of wealth shifts east and southwards a new global elite will emerge with greater female representation, and a technological mindset. This new generation brought up at the cusp of the century will challenge traditional orthodoxies. Similarly, corporate interest and participation in building shared value for a wider set of stakeholders will ensure that the lines between “who does good” and “who drives profit” will become increasingly blurred.

In this time of fluidity, the role of the state to provide both leadership and deliver effective regulation will be critical. In particular a key challenge will be how to best unleash local, community-based philanthropy and sustain and grow smaller and medium sized delivery organisations.

Theme 2: Knowledge. Greater knowledge and understanding, together with working feedback loops, were viewed as essential pre-cursors to more impactful philanthropy. However, while an increase in more data driven philanthropy is widely expected to deliver improvement across the board, basic human nature will ensure that emotional giving continues to mitigate the ultra-rationalist promise of effective altruism.

Greater knowledge is also expected to lead to an increase in the development of collaborative solutions and an appreciation of the need to invest in philanthropic capacity. It is also expected that on-going efforts to share knowledge for the benefit of all as well as harness new media to spread it more effectively, will further grow philanthropic impact.

Theme 3: Trust: There has always been a degree of both private and public scepticism around philanthropy and philanthropists, and, as in other walks of life, this distrust has been growing in the last decade. While cause and effect is impossible to prove, it is interesting that this has occurred at the same time as the gap between the rich and the poor has increased. Perhaps this is because wealth is increasingly concentrated in the hands of the few. Indeed some in our workshops referred to the emergence of a global philanthropic oligarchy.

In order to achieve their goals, change-making philanthropists, at any scale, must seek to build and maintain trust in the communities in which they operate. In the next decade, workshop participants identified the need to address three elements in order to achieve this:

- The need to behave with integrity, acting transparently and democratically;
- The need to be reliable, acting consistently – even when times are tough; and
- Competence, the ability to deliver results.

In terms of creating more philanthropic impact, two cross-cutting ideas surfaced repeatedly:

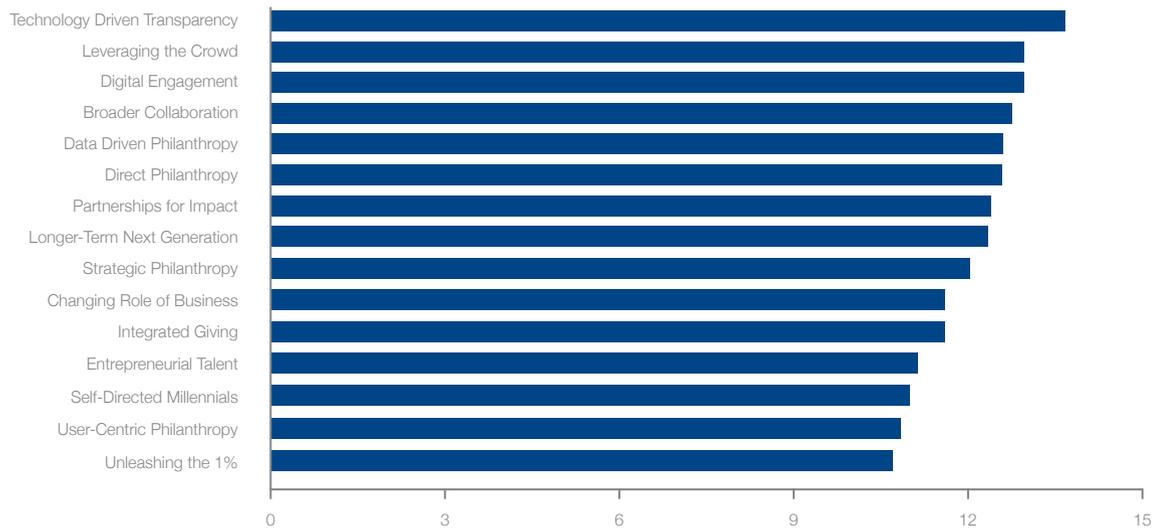
- Digital technology - This was viewed as the critical underpinning that will provide more effective mechanisms to give, deliver more impact and do this in a way that enables deeper learning, engagement and transparency.
- Long-term collaborations - There is a shift from short-term approaches towards increased support for longer-term, collaborative solutions that seek to address the root causes of a social or environmental challenge in a holistic way. For many this reflects a general shift in attitude as the millennial generation gains influence. Notably both ideas are equally applicable to philanthropy at all scales, from community based social entrepreneurs to global collaborations

Schumpeter's waves of creative destruction, powered by the digital technologies that define our era, are expected to ensure that over the next decade changes will accelerate. As societal attitudes, behaviours and commercial common sense adjust to a connected and data driven digital world, so too will philanthropy.

Top 15 shifts

At each of the workshops, experts were asked to rank a series of insights. They used their judgement to assess relevance to the topic of philanthropy in the next decade.

Top 15 Future Shifts (Global Average)

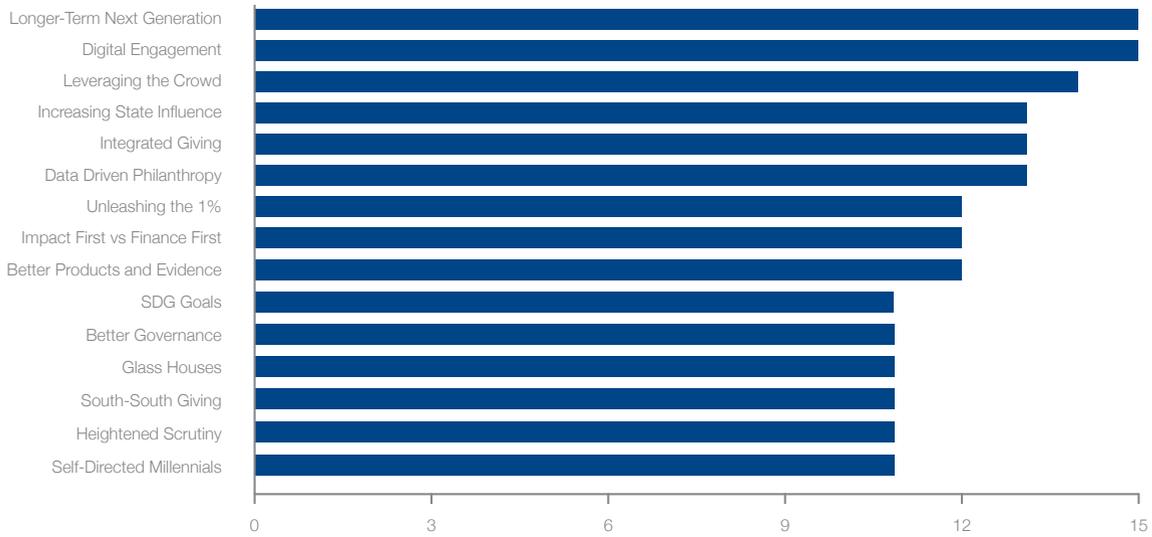


Each workshop, typically comprised 25-30 diverse experts drawn from Government, NGO, academia, business, advisory etc. The experts were split into 5 groups and each group was given a set of c.25 insight cards to discuss and sort into three piles. Experts were asked to sort (High, Medium, Low) by relevance, importance and impact for the next decade. The insights were then scored High (3 points), Medium (2 points) and Low (1 point) and the results for each insight across all groups were calculated. A top score of 15 would indicate that all tables ranked the insight as highly relevant, important and impactful and is indicated along the X axis of the above chart.

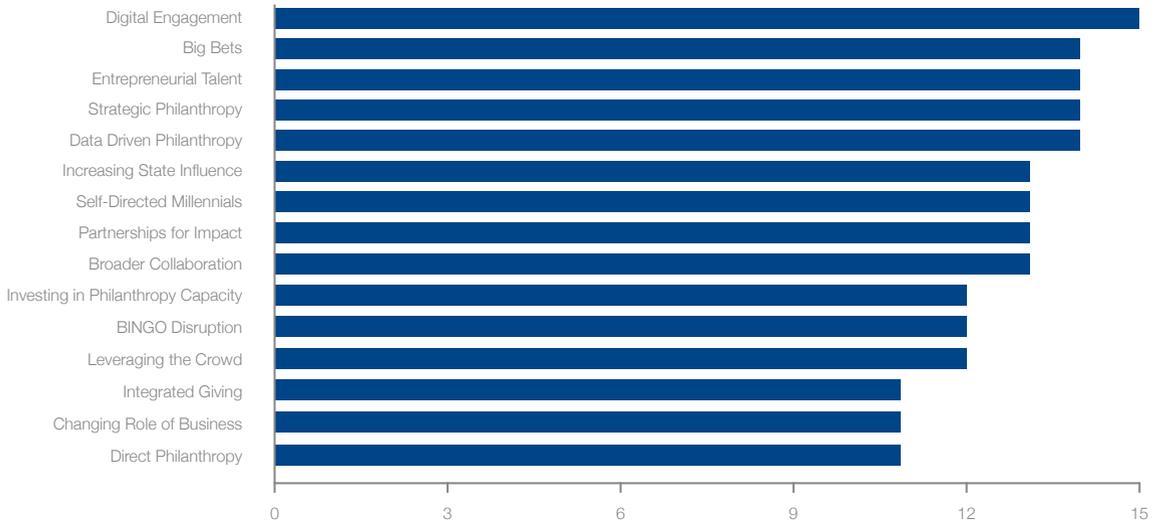
The insights can be seen in full here:

<https://www.slideshare.net/futureagenda2/future-of-high-impact-philanthropy-updated-view>

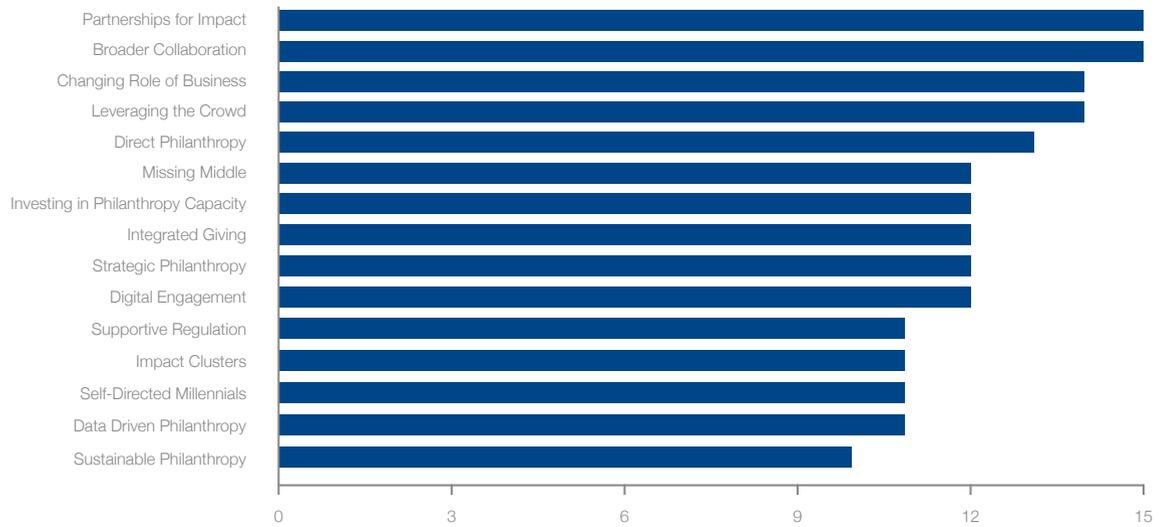
Top 15 Future Shifts (Dubai Average)



Top 15 Future Shifts (Mumbai Average)



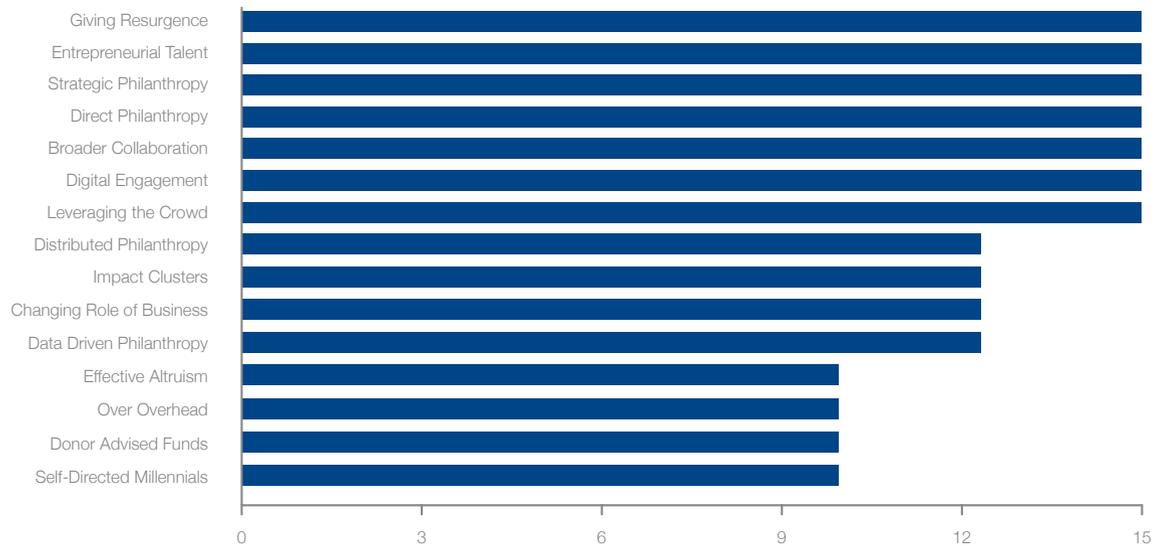
Top 15 Future Shifts (Singapore Average)



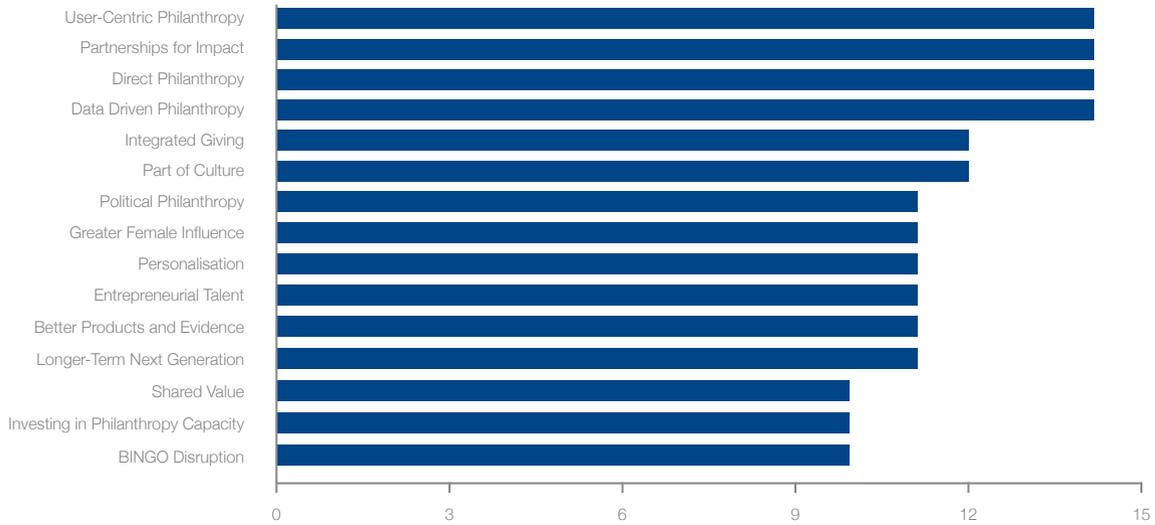
Future of Philanthropy

Insights from Multiple Expert Discussions Around the World

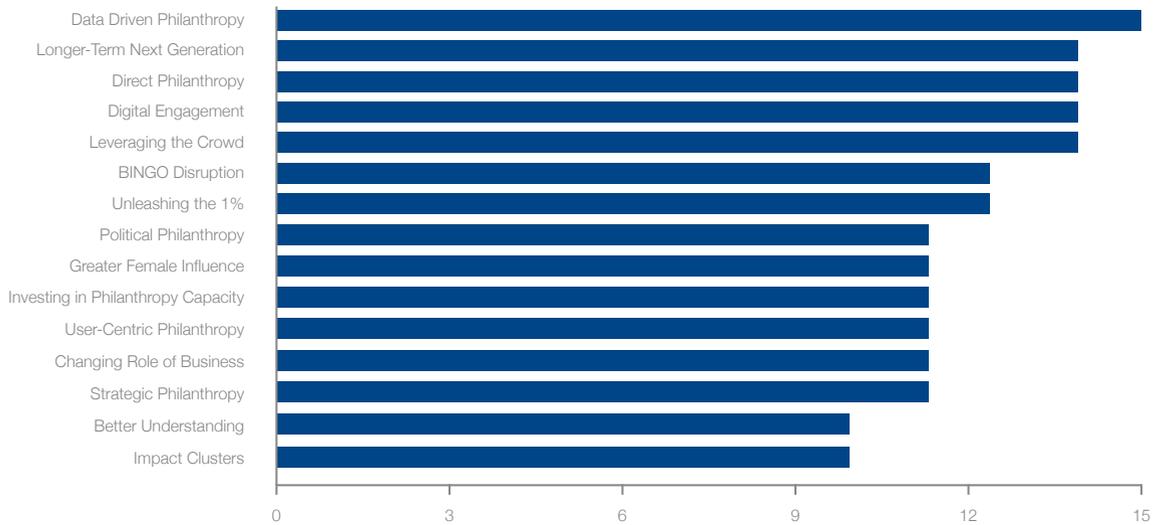
Top 15 Future Shifts (Kuala Lumpur Average)



Top 15 Future Shifts (Oxford Average)

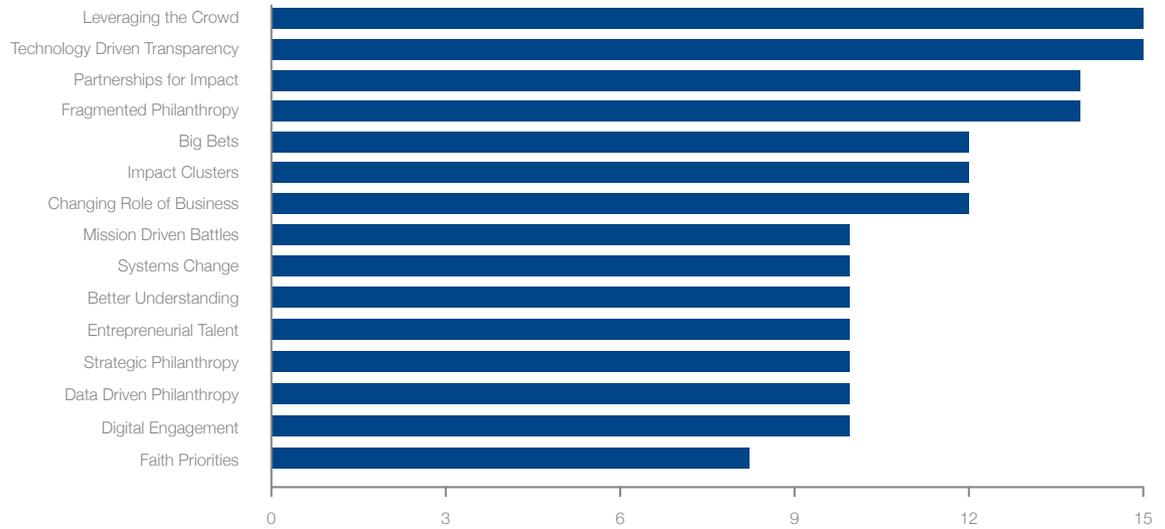


Top 15 Future Shifts (London Average)



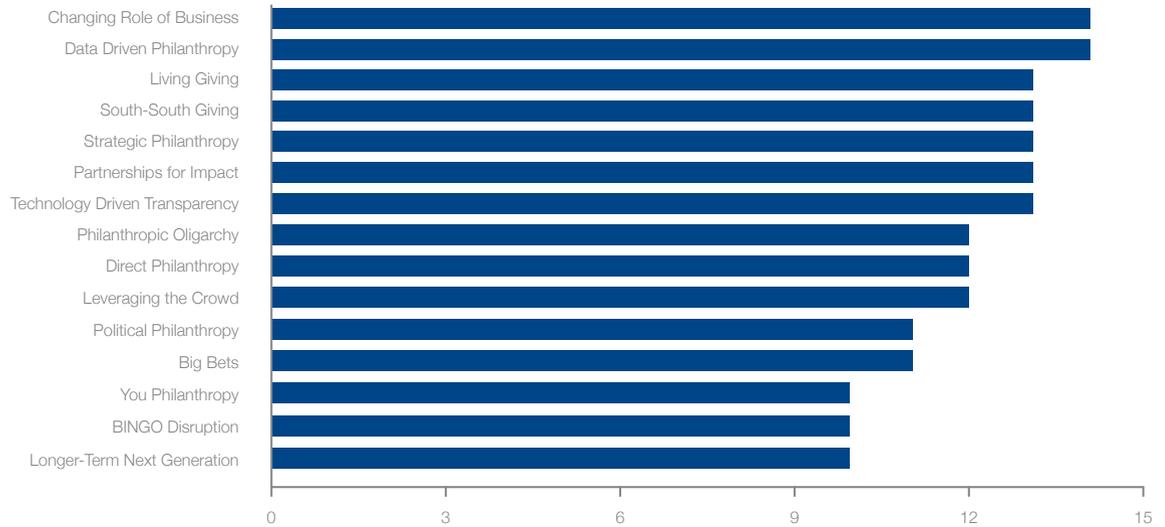
Top 15 Future Shifts (British Asian Trust Average)

Future of Philanthropy

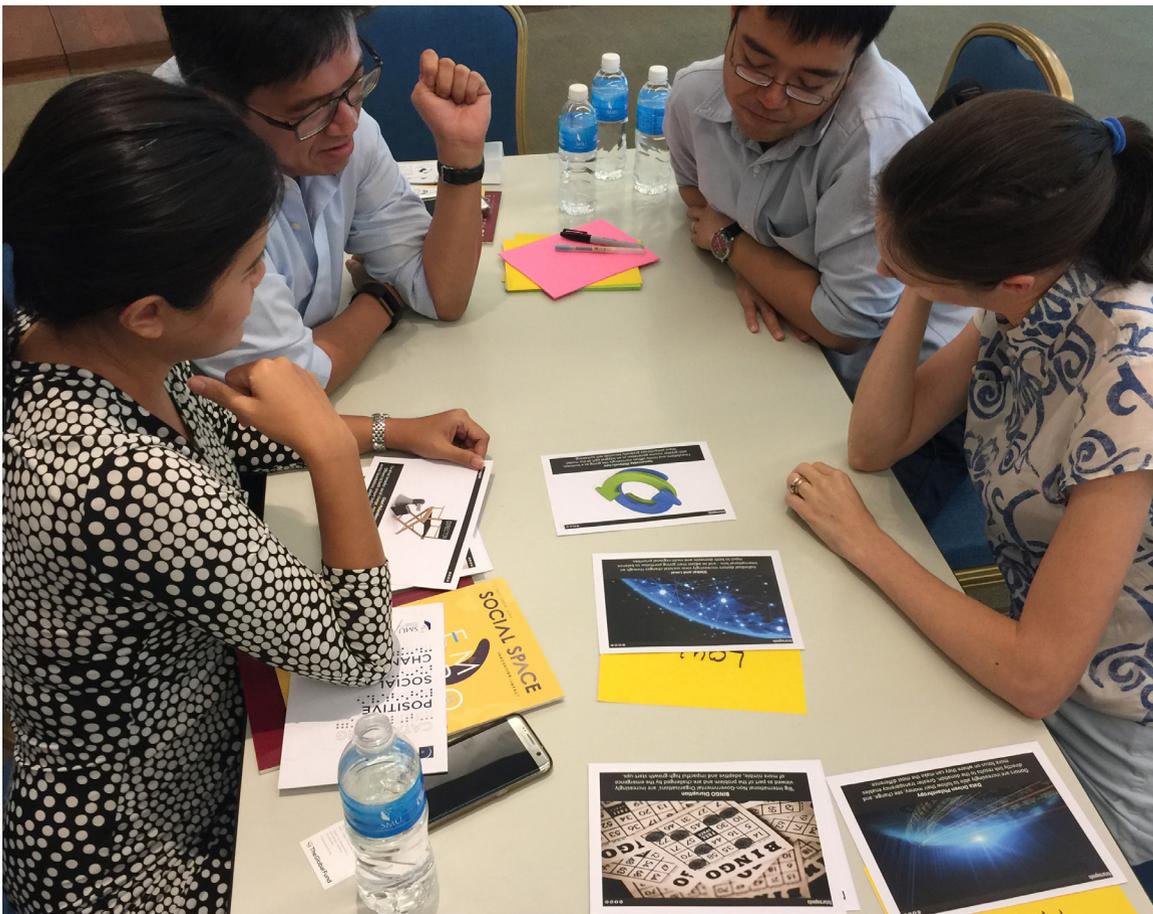
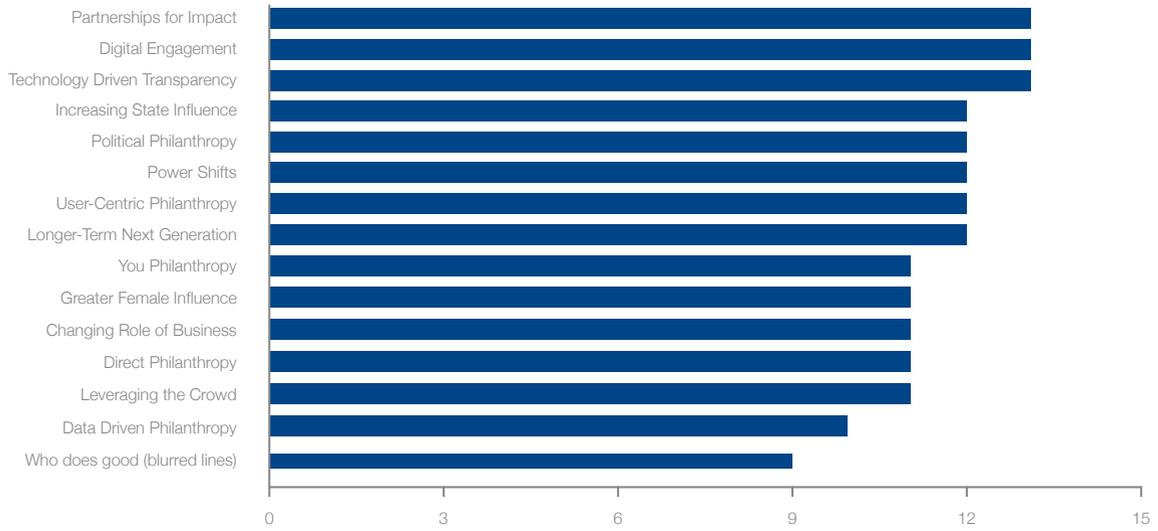


Insights from Multiple Expert Discussions Around the World

Top 15 Future Shifts (Washington Average)



Top 15 Future Shifts (Quito Average)



Context

The Past

Charitable giving has been embedded in most religions, societies and cultures for millennia. It has taken different forms and purposes, many of which are still reflected today.

For many the Scottish-American industrialist Andrew Carnegie (1835-1919), the richest man of his time, set the standard for modern giving. During the last 18 years of his life he gave around 90 percent of his fortune to charities, foundations, and universities, a sum equivalent to about \$78.6 billion in 2017. He also galvanised others to do the same; in 1889 he wrote an article, “The Gospel of Wealth”, which inspired an unprecedented wave of philanthropy amongst his peers. Carnegie was by no means alone for his time. Other industrialists such as India’s Jamsetji Tata bequeathed much of their personal wealth for the benefit of others as did Henry Ford in the US. At a time when government funding was not available the main requirements were often to provide housing, healthcare and education.

Today

We have had a century of progress since then and yet the need for philanthropy remains just as great. Some argue that we are living in an increasingly fractious and difficult time. The issues that we face such as climate change, loss of biodiversity, water shortages, global pandemics, the mass movement of peoples, the endless destruction wrought by war not to mention the constant need to address social inequality, grinding poverty and disease seem to be growing exponentially, despite the valiant efforts of some to, at least, contain them. The complexity of many of these issues extend beyond national boundaries and affect the wealthy as well as the poor. Coincidentally for some nations, economic downturn has seen a reduction or closure of public services. All this when public trust in the long-established institutions of religion, business, government, NGOs, and the media is in long-term broad decline.

Keeping the faith: Despite considerable changes in attitudes to philanthropy, faith-based donations are a major focus for much of the world. In the Middle East a recent survey suggested that around two-thirds of all giving is motivated by religion.ⁱ In the Netherlands it is 40 per cent and the US 32 per cent.ⁱⁱ Indeed one of the reasons why Myanmar tops the 2017 CAF World Giving Index, an authoritative annual data driven review of how and why people give in 139 countries, may well be because the widespread practice of Theravada Buddhism encourages it. The challenge for the future is that increasing secularism in some countries alongside growing public distrust of different religious organisations means that it is increasingly difficult for some faith-based charities to remain effective. There are fears, particularly in the West, that in the future this prejudice may prevent them from playing a bigger societal role. This is certainly the case in the US where religious giving has experienced a steady decline, accounting for 50 per cent of donations in 1990 to 32 percent in 2016.ⁱⁱⁱ

It is certainly true that there are challenges but at the same time there is opportunity and optimism. Many philanthropists, large and small are prepared to put their energy into finding better solutions than we have at the moment.

The result of this is huge variation, and sometimes contradiction in how problems are addressed: The super-wealthy individual donor versus crowd-based approaches; the targeting of major world issues, such those identified in the United Nation's Sustainable Development Goals, at the same time as a move towards local activism and support of overstretched public services; a focus on speed of delivery at the same time as the acknowledgement that complex social issues require time and consideration, not to mention the need for reliable investment in research and development; the demand for transparency and collaboration at the same time as a growing appetite for independent action continues to grow. "Doing Good Well" it seems has never been more difficult. Equally there have never been so many people, in so many different ways, prepared to give it a go.

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