

Nesta...

INNOVATION TO GROW GIVING

December 2014

About Innovation in Giving Fund

The Innovation in Giving Fund was set up to fund new ideas to encourage many more people to give their time, money, skills and resources to the causes they care about. The £10 million Fund was run by Nesta and funded by the Cabinet Office, between September 2011 and December 2014.

Nesta...



Cabinet Office

About Nesta

Nesta is the UK's innovation foundation.

An independent charity, we help people and organisations bring great ideas to life. We do this by providing investments and grants and mobilising research, networks and skills.

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INNOVATION TO GROW GIVING

CONTENTS

EXECUTIVE SUMMARY	4
INTRODUCTION	5
The need to grow giving	5
What was the Innovation in Giving Fund?	5
The role of innovation to increase giving	8
OUR APPROACH	9
Questions we aimed to answer	10
INNOVATION IN GIVING FUND OVERVIEW AND KEY FINDINGS	11
Embedding giving in everyday activities	11
Innovation in technology-enabled giving	14
Crowdfunding	15
Personalised user targeting	18
Attracting younger donors and volunteers	20
Increasing giving in the workplace	24
Giving and the sharing economy	28
The Volunteer Centre Programme	31
The Open Innovation Programme	34
SUPPORTING INNOVATION IN GIVING	38
Measuring impact	38
Learning from failure as well as success	41
CONCLUSION	43
Summary of key findings and lessons learned	43
Five year predictions	44
Message to those funding new ideas	47
Message to large charities	48
Message to new entrants	48
Final thought: the new generation of innovators	49
ENDNOTES	50

EXECUTIVE SUMMARY

Charities and volunteer groups are creative and resourceful, but they are also working with constrained resources. They often do not have the time or means to try out new ideas that may open up new opportunities to increase giving or to experiment and reflect on what works and what doesn't. And yet there is a pressing need to develop new strategies to increase giving – ones that respond not only to the challenges of the current financial climate but that capitalise on new opportunities, such as those offered by digital technology.

One of the main challenges identified by the Charities Aid Foundation (CAF)¹ is that the average age of those who give is increasing. People over the age of 60 now give over six times as much as those under 30 and this trend has been widening over the past three decades. At the same time, we have seen a rise in the use of digital technology, with the majority of internet users being under 35. The £10 million Innovation in Giving Fund, funded by Cabinet Office, was set up to find and support the growth of promising innovations that aim to get more people involved in giving.

In 2010, in the Government's Giving White Paper, Francis Maude, Minister for the Cabinet Office and Paymaster General, and Nick Hurd, Minister for Civil Society, wrote: *"Our ambition is to stimulate a step change in giving... to make it easier and more compelling to give time and money... to give better support to the trailblazers and innovators."*² We believe innovation, experimentation and new ways of thinking are vital to achieving all of these aims and ensuring the third sector's growth and prosperity. The Innovation in Giving Fund's purpose was:

To support innovations in giving and the exchange of time, money and resources in a way that contributes to a shift in culture across the country.

It was also a response to a rising tide of new innovators and entrepreneurs,³ both within and beyond the sector who were hungry to create new ways for people to give.

The Fund focussed on projects which sought to: **embed giving in everyday activities, increase giving in the workplace, promote resource sharing** and **encourage people to volunteer their time in new, more flexible and reciprocal ways**. It had two objectives:

- **To increase the supply of innovative ideas to increase giving.**
- **To support the scaling, absorption and adoption of the best of these ideas.**

As well supporting a diverse portfolio of organisations, the fund also ran an **Open Innovation Programme**, which enabled larger charities to experiment with ideas that originated outside their organisations, to share the risks and rewards of experimentation. It also included a **Volunteer Centre Programme** to develop new, more sustainable models for running high-impact volunteer centres.

Over the course of the Innovation in Giving Fund, the organisations we backed engaged **225,402 volunteers** and raised **£5,583,312 in donations**. It's still early days, but for a fund focussed on relatively new ideas, many of which are continuing to grow and flourish, these numbers are very encouraging.

Many of the most innovative ideas that applied to the Fund came from beyond the charitable sector; digital social entrepreneurs were particularly attracted to the Fund's mission. It is clearer than ever that there is a new breed of organisations and platforms that, over time, could become an important part of the dominant giving infrastructure in the UK.

INTRODUCTION

The need to grow giving

Millions of people in the UK give significant amounts of resources to help others, whether this is time, skills, assets or money. Recent research, conducted by Nesta, placed the value of regular social action to support public services at around £34 billion per year.⁴ And it is estimated by CAF that £9.3 billion was donated to charity by adults in 2011/2012.⁵

However, the challenges of the 21st Century are placing increasing demands on people's generosity. Although we live in an affluent society, we are also living through a time punctuated by scarcity and financial uncertainty. CAF reported a 20 per cent drop in household giving in 2012 and the average age of those who give is rising, while younger people are giving less.⁶

Charities and volunteer groups are working with constrained resources and finding it increasingly hard to attract support and funding. There is a pressing need to develop new fundraising strategies – ones that respond not only to the challenges of constrained resources but new opportunities, such as those offered by digital technology and the sharing of resources.

“We're at a time where resources are limited and charities need to work together to look outside the sector. We're helping to give them the tools to do that in a structured way.”

Alice Casey, Senior Development Manager, Nesta, speaking at Nesta's Innovation Methods for Charities event.

For people to give more of their time and money, they need to be asked in new and innovative ways that tap into their motivations and fit into their lives. The CAF's Growing Giving Inquiry wants to promote active engagement with charities through exploring ways young people, working people and retired people can be encouraged to give.⁷ The Innovation in Giving Fund pre-empted this need and was set up to test how this could happen in practice.

What was the Innovation in Giving Fund?

Launched in September 2011, the Innovation in Giving Fund set out to find and support the most exciting innovators, to help them bring their ideas to life and to help the most promising ideas and organisations to grow their impact and reach more people. We also wanted to encourage established charities and public services to experiment with and embrace these new ways of giving.

We had two core objectives at the outset of the fund:

The first objective was to increase the supply of innovative ideas to increase giving. Through two open calls we conducted a nationwide search for the best and most radical ideas for new ways to support and encourage giving, reviewing almost 1,000 ideas, interviewing well over 100 teams of innovators and ultimately awarding grants and non-financial support to 56 innovations. The full portfolio of awardees can be found at <http://giving.nesta.org.uk>.



1000
Ideas reviewed




100
Teams of innovators interviewed

Innovative
ideas
supported

The Fund set clear criteria around innovation, potential impact, sustainability, openness about sharing what worked well, or less well, and the capacity of teams to deliver their idea. The Fund was also completely open to supporting many different kinds of giving; whether that be the giving of time, money, assets and skills, in schools, communities, businesses, care homes, shops and more. The projects also included ideas that involved reciprocity and exchange, as well as ideas that blurred the traditional boundaries between donor and recipient to create new kinds of relationships.

The second objective was to support the scaling, absorption and adoption of the best ideas.

Many innovation funds that focus on supporting new ideas give less attention to how these ideas will be taken to scale or adopted by others. As part of the Innovation in Giving Fund, the ideas that demonstrated the strongest potential for scale were supported with additional, more significant finance as well as greater levels of non-financial support to help them grow.

To further support the adoption of new ideas within the charitable sector we set up the **Open Innovation Programme** in December 2012, to test charities' appetite to innovate in partnership with some of the newer enterprises and start-ups we were coming across. Through an open call we received applications from 60 established charities with national reach and **selected ten** to find, adopt and scale innovations in giving that showed the potential to solve some of their biggest challenges. The Open Innovation programme also aimed to build innovation skills within larger charities to source innovation from beyond their organisational boundaries. You can read the full report on the Open Innovation Programme on the Nesta website:

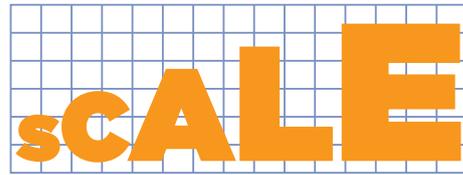
www.nesta.org.uk/publications/open-innovation-programme-blog-series



**National charities
partnered with
innovative new
enterprises**



**Charities selected
to find, adopt and**



new innovations

In April 2013, in partnership with NCVO, we also launched a strand of the Fund to support volunteer centres, **The Volunteer Centre Programme**, to develop and prototype innovations in giving. The tightening of budgets was posing significant challenges for volunteer centres and it was clear that new models for running, sustaining and demonstrating their impact was required. We had also seen the emergence of a host of innovations from outside volunteer centres seeking to transform the way people volunteer their time – from technology platforms that match opportunities and availability, to new models of reciprocity like timebanking. These pressures created an especially urgent need for volunteer centres to innovate and adapt to a changing landscape.

We assessed volunteer centres against five core criteria (impact, innovation, sustainability, capacity and openness) and selected eight to develop innovations with a view to increasing each organisation's impact. We also set out to generate learning, insights and products that are replicable and benefit the whole sector.



**Volunteer centres assessed
against five core criteria**



**Volunteer centres selected to
grow and develop innovations**

The role of innovation to increase giving

Charities are resourceful, but they are often operating very much in the here and now. Experimentation to try new things and time to reflect on how these things are going can seem like a luxury. And yet innovation, experimentation and reflection are vital to tackle long-term challenges such as rising demand and constrained resources. There is no denying that charities work very hard, often in difficult circumstances, but they are reliant on donations (which can be irregular), volunteers (in a world where everyone feels ‘time poor’) and securing grants from the public sector.

However, at the same time, new technologies and innovations pioneered by people and organisations outside the voluntary and charitable sector are creating new ways in which people can give, making it easier and potentially more rewarding to do. Since 2010, the average amount someone donates to a charity online in the UK has risen by 32 per cent.⁸ An understanding of digital technologies is now vitally important for all organisations. We made a key assumption at the start of the Fund that new technologies were fundamental to drive and increase giving in the long term and attract younger donors and volunteers. We also decided to help foster experimentation and new ideas not only through funding but other kinds of non-financial support, such as mentoring, business model development, marketing and service design techniques.

“All organisations need to create new value. Innovation has a range of methods that can help them do that.”

David Townson, No-nonsense Innovation, speaking at Nesta’s Innovation Methods for Charities event.

OUR APPROACH

At Nesta, we know that providing time and space for people from across sectors and disciplines to come together creates energising conversations and new collaborations and partnerships. Throughout the life of the Innovation in Giving Fund, we have attempted to grow a vibrant network of people interested in innovation, whether they be fundraisers, technologists, frontline workers or volunteer brokers.

As you might expect from a fund focused on supporting innovation, we had a relatively high appetite for risk. The Innovation in Giving Fund had a bias toward supporting the young and small – a reflection of the type of applicants we had – with 42 per cent of organisations funded being less than two years old and 48 per cent organisations funded having less than five employees. The Fund also encouraged the support of ideas that could be categorised as high risk – ideas that were significantly radical and different and yet presented exciting prospects for impact should they be successful. In aiming to strike the right balance, we also supported ideas that were more advanced in demonstrating evidence of early successes.

Nearly a third of the organisations we selected to support were at the earliest stage of their lives and our funding strategy reflected this. We took a funnel approach, supporting a large number of ideas with relatively small amounts of money, tracking their progress and providing more significant support and financing to the most promising ones. We also started our work with an assumption that the sharing and exchanging of time, skills and resources – as well as giving – is underexplored territory in need of further investigation.

Through the Innovation in Giving Fund, we wanted to understand:

- **How organisations promoting giving could appeal to a younger demographic.**
- **How giving could be more embedded in people's lives.**
- **The role of technology in:**
 - Enabling greater trust and co-ordination to initiate new kinds of giving activities.
 - Providing more targeted giving opportunities.
 - Mobilising more money for good projects.
 - Allowing people to share and give in new ways that would attract new, younger people into the habit of giving.
 - Enhancing volunteer brokerage services if they can be standardised and fungible, as well as motivate new kinds of users.

Based on the overall portfolio of ideas about how to further increase giving, it was clear that a number of assumptions were being made by innovators. These could be summarised as:

- 1. Models of giving that incorporate reciprocity have significant potential to increase giving.**
- 2. New technologies can help to institutionalise giving through helping to solve some of the fundamental barriers of trust and coordination.**
- 3. Offering incentives and rewards that people value will attract new people into the act of giving time, money, or resources.**
- 4. Technology is already driving a growth in impulsive giving, but there is underexplored potential for technologies to enable a deeper relationship between givers and the causes they support.**
- 5. Complementary currencies may grow from their currently marginal status if they can be standardised and fungible, as well as motivate new kinds of users.**

6. Games have a lot to teach us about how to engage a much wider group of people in charitable giving through making giving more fun and reaching untapped audiences, particularly the next generation of givers.
7. Opportunities for collective social action will encourage more and new people to give.
8. The most successful next generation innovations will embed giving more in our daily lives and identities, tying it into existing activities, habits and traditions, like reading the news, celebrating occasions and building our social and professional networks online – rather than through separate platforms.

Questions we aim to answer in this report

Two years after the launch of the Innovation in Giving Fund, in May 2013, CAF launched the Growing Giving Inquiry. It set out to address the following areas of giving and answer some pressing questions, listed below.

1. Growing up giving

What is the role of education in helping young people learn about and engage with charity? What opportunities are there for young people to become involved in charity? How can we make giving opportunities fit the digital age?

2. Giving at work

How can we promote charity and philanthropy more effectively in the workplace? What are the most effective mechanisms for giving? How do people give at work? What is the future of philanthropy in the work environment?

3. Going on giving

How can we best engage retired people with charities? How can we harness their generosity today and ensure they pass on the gift of giving to future generations? How can people plan their giving as they get older?

This report plots the insights and learning from the Innovation in Giving Fund against some of our assumptions about how to grow giving and contributes to answering the questions laid out by the Growing Giving inquiry. It also gives a more detailed overview of the approach the Fund took in supporting innovators and scaling their most promising ideas. It closes with some predictions about the future of these ideas and their role in increasing giving. We also lay out our key messages to funders, large charities and new entrants about they can contribute towards this.

INNOVATION IN GIVING FUND OVERVIEW AND KEY FINDINGS

Embedding giving in everyday activities

In our busy lives, if things aren't made easy, convenient and fun, we don't often change our habits. The Growing Giving report *Creating an Age of Giving* stated that “we need to embed donating in everyday life and make it an accepted norm. Opportunities and therefore appropriate processes and structures need to be established to develop involvement in giving all year round, recognising the different stages in life and taking into account the needs of generations of donors.”⁹ As mentioned previously, the Innovation in Giving Fund also had made the assumption that the most successful next generation innovations will embed giving more in our daily lives and identities, tying into existing activities, habits and traditions.

The Fund focused on how to support and embed low-barrier routes to giving in everyday activities – whether that be the giving of time or money. As budgets get tighter, the giving of time and skills is going to become increasingly more important. Our own research suggests that members of the public contribute about £34 billion annually to support wider public services objectives, through formal and informal volunteering as well as supporting community activities.¹⁰

And with younger people sharing more and more of their lives online, we think technology offers a big opportunity to share in a socially conscious way too. Here are some of the projects we supported exploring these areas.

CASE STUDY

GoodGym

Enabling people to combine exercise with doing good in their local community

GoodGym aims to simultaneously increase people's motivation to volunteer and keep fit. The organisation connects people to physical tasks that benefit the community, for instance running errands for those who are isolated and lonely. Through either running in a 'pack' or carrying out one-off missions, it channels the energy people spend on exercise and turns it into positive social action through volunteering.

As of January 2014, GoodGym are operational in six areas of the UK. Another nine areas are at proposal stage. This has been achieved with support from the Innovation in Giving Fund and the effort the team have put into their backend web platform. Based upon (a very modest) estimate of one new member a week, a new area will take 18 months to become self-sustaining. GoodGym aims to have ten areas running by 2014/2015 and 25 areas by 2015/2016, which would see them generating a profit.

GO
goodgym®



As of August this year, 2,760 runners, were giving their time to local communities by running and doing tasks.

Ninety per cent of runners signed up to monthly donations demonstrating high potential for a sustainable funding model.

CASE STUDY

The Pennies Foundation

The electronic charity box: embedding giving in existing financial transactions

One of the most successful ideas that the Innovation in Giving Fund has backed is The Pennies Foundation, which offers a simple opportunity for people to give 'pennies', via chip and pin, to charity when they are buying goods online or in stores. Most people are familiar with dropping change in a charity box on a shop counter. The Pennies Foundation takes this a step further, by embedding giving in existing financial transactions, asking customers to round-up purchases to the nearest pound, enabling the friction-free giving of money.

Innovation in Giving funding was used by The Pennies Foundation to develop an eToolkit, to enable online retailers to more easily join the micro-donation movement, and they were subsequently awarded further funding to scale their operations.

The Pennies Foundation has processed over 13 million micro-donations, pouring £3 million into good causes, and there is the potential to significantly increase the number of stores it is available in. The opportunity to dramatically increase the flow of funding through donating at 'point of sale' is therefore enormous. It is likely that the organisation will be a key player in the field of micro-donations and a big contributor to charitable giving.

Pennies!
The digital
charity box



Key statistics

£3 million raised for charity.

£13 million micro-donations.

Over **100 charities** benefited to date.

CASE STUDY

National Funding Scheme (NFS)

Using new technology to encourage giving to arts and cultural institutions

The National Funding Scheme (NFS) has developed a platform called 'Donate' which allows people to donate money to arts and cultural institutions using their mobile phones. As part of the Innovation in Giving Fund, NFS was supported to build their team and make technical improvements to their technology platform.



The NFS worked hard to make it easy for arts organisations to sign up to Donate and spent the majority of last year successfully prototyping its donation infrastructure, inviting prospective donors to give at the point at which they are most emotionally engaged with an art form. To date, the NFS has achieved total donations of £69,217 (including Gift Aid) from 2,347 donations. The organisation also continues to explore radical and creative opportunities to use ‘tap and pay’ technology in public spaces.

Key statistics

To date, the National Funding Scheme has achieved total donations of **£69,217** (including Gift Aid) from **2,347** donations and **49 per cent** of users are adding Gift Aid.

Donate has attracted further funding from the Arts Council, Sackler Foundation and Garfield Weston Foundation following support from the Innovation in Giving Fund.

Key findings and lessons learned:

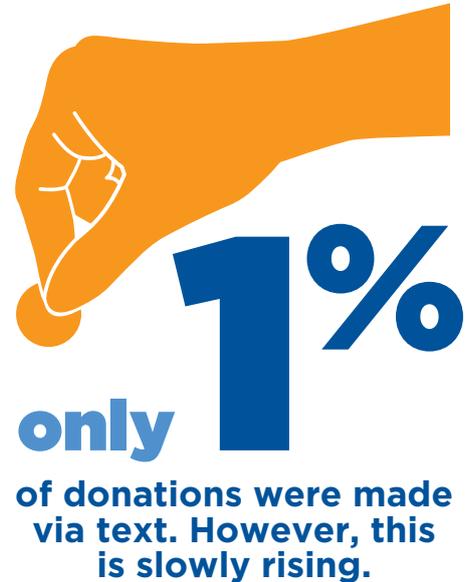
- Seventy-four per cent of all spending uses a debit card.¹¹ The Pennies Foundation and the National Funding Scheme have accepted that in an increasingly cashless world we need new, slick and seamless way of incorporating giving into that technological infrastructure. The take up of The Pennies Foundation in particular shows that the general public have a strong acceptance of point-of-sale electronic donations. As the Innovation in Giving Fund has demonstrated, new technology, whether it’s ‘tap and pay’ or ‘chip and pin’, creates new opportunities to embed giving in different ways, whether this is in a shop, an arts venue or at a train station.
- Socially conscious products can fulfil more than one social need. For instance, GoodGym both encourages people to exercise and to give their time and energy to others who need it.
- Making use of digital technology makes it easier to roll-out new products, such as GoodGym, in more areas. For those organisations who are seeking to scale through setting up new ‘chapters’ or ‘hubs’ across the country, using the web to deliver support and provide a unifying platform for what may be a very diverse set of activities, has been proven to be critical to success.
- Experiments to insert giving opportunities into everyday activities have, however, had varied levels success within the Fund. The giving of money through technology platforms has yielded positive results, but introducing opportunities to give at children’s parties and encouraging people to give to local charities and social enterprises, through a payroll giving project in Brixton, were less successful. This was primarily due to the changes in behaviour, rituals and ways of working that were required to make them work.

Innovation in technology-enabled giving

Given the number of people who engage in giving through digital technologies today, we might be forgiven for casting it as a niche activity. In 2011/12 50 per cent of all donations made were cash, closely followed by direct debit, at 31 per cent. Only 7 per cent of donations were made online, with 1 per cent made via text;¹² the latter creeping up slowly from less than 0.5 per cent in each of the previous three years. So small are the numbers that researchers don't yet feel the need to differentiate between devices for online giving.

The UK population spent 37 billion hours online in 2012¹³ and online UK retail sales grew 16 per cent in 2013 with around 8 per cent being through mobile devices. Smartphone penetration in the UK is set to reach 75 per cent this year. The commercial world has been transformed by the disruptive and enabling power of internet technologies, changing the landscape of how we shop, pay, interact, share and play. **We feel that this explosion of activity is something that could be utilised further in relation to giving.**

In 2011/12



“The digital arena is very much an amplifier for the message we want to put across.”

Alice Durand, Heart of the City, speaking at Nesta's Demystifying Digital event.

The majority of internet users are under

35

Digital technology is a means by which they could be encouraged to give more.

The majority of mobile internet users are under 35.¹⁵ And it is inevitable that as the numbers of people who have grown up with the internet grow, their expectations of about how they can use digital technologies to engage in giving will develop. CAF reports that charitable donations from older people have doubled since the 1980s but that the proportion of donations made by the under-30s has more than halved. That has been the driver of the Growing Giving Inquiry. There are clearly a whole range of ways of tackling that challenge and exploiting digital technology, the most pervasive and ubiquitous communication channel for younger people almost certainly lies at the heart of these.

One of the challenges to winning over some of those who feel that the power of digital technologies is either marginal, or somehow deficient in quality of experience, is that we are still in the early stages of both the exploitation and

take-up of technologies to increase giving. Often we look at a digital innovation in isolation, perhaps not appreciating what innovations in giving look like when brought together – and what they might evolve into. The space, legitimacy and support of the Innovation in Giving Fund has been crucial to exploring this. Two areas in particular have proved especially rich: crowdfunding and personalised user targeting.

“It’s really important to be testing ideas, to be iterating from the word go and to just get straight into putting ideas into action to figure out what works and what to take forward.”

Lucy Ashman, Teach First Innovation Unit, speaking at Nesta’s Innovation Methods for Charities event

Crowdfunding

Crowdfunding is in some respects a very old form of donating, often being used to fund local community projects like church roofs and museums. Looking at the most basic principle of crowdfunding – that large numbers of people donate relatively small amounts of money to make projects happen – might seem a very familiar strategy to fundraisers.

However, technology has taken crowdfunding into a new realm by mobilising people quickly and easily to give, with a variety of models that range from offering rewards to peer-to-peer finance and offering equity shares in a business. Focusing on the rewards- and donations-based marketplace, we have seen a huge increase in the number of platforms springing up over the lifetime of the Innovation in Giving Fund. The figures are big and growing rapidly. We estimate that £1.74 billion was raised through crowdfunding of all kinds in the UK in 2014 **and noted that Community shares, rewards-based crowdfunding and donation-based crowdfunding have been growing rapidly.**



Community shares grew **95%**
to raise **£34 million**



Rewards-based crowdfunding grew **95%**
to raise **£26 million**¹⁶



Donation-based crowdfunding grew **77%**
to raise **£2 million**¹⁷

With the first basic online crowdfunding platform being launched at the turn of the Millennium, it was not until the mid-2000s that crowdfunding started to take off. By the late 2000s it had grown into other areas, such as equity investment for start-up businesses and the funding of public and social innovation projects. Despite this growth in interest and crowdfunding being increasingly adopted, we are still in the early days of understanding how it could potentially change the nature of giving. One interesting trend is around community share offers being made more accessible by administering them through an online platform.

“Some of the positive trends that charities can leverage are crowdfunding. Because it’s very easy to see where your money is going, you get a real connection to the people you’re helping and get a real reward at the end of it.”

Owen Wallis, Crowdfunder.co.uk, speaking at Nesta’s Demystifying Digital event.



Given that the estimated total amount donated to charity by adults in 2011/12 was £9.3 billion,¹⁸ we might be forgiven for regarding crowdfunding for good causes as niche, marginal and perhaps unworthy of interest. But the trajectory of growth is steep and presents a very different way of engaging with a good cause. Rewards-based crowdfunding grew by 388 per cent in the UK from £0.9 million of funding in 2011 to £20 million in 2013.¹⁹

The Innovation in Giving Fund initially funded four crowdfunding platforms and one small match-crowdfunding experiment, all with different models of engagement. One of the most successful of these was Crowdfunder.

CASE STUDY

Crowdfunder

Using crowdfunding for social good

Crowdfunder (formerly known as Peoplefundit.it) is a rewards-based crowdfunding platform run by KeoDigital that enables people with business ideas that have a strong social or environmental dimension to raise funds and gain support from the public. Funding can be pledged to start-up businesses or new projects in return for rewards. Crowdfunder’s aim is to launch a new generation of entrepreneurs, businesses and charities that are commercially sustainable and have social innovation at their heart.

Support from the Innovation in Giving Fund provided an initial boost in usage that led to the development of a partnership with Crowdcube, which led to many new members. The acquisition of the Crowdfunder platform, by



Crowdcube, was a significant success. Crowdfunder has raised over £3 million for UK projects since it launched. It recently used crowdfunding to raise equity investment and received an impressive £650k, pledged over one morning. While the crowdfunding market is growing fast, the rapid growth of Crowdfunder puts it in a very strong position.

Key statistics

Over **£3 million** raised for UK projects.

Over **1,000** projects funded.

A community of **100,000** people putting money into projects.

Crowdfunder receives over **900** new project ideas per month.

We were particularly interested in exploring and testing different models of crowdfunding. For instance: kids crowdfunding for schools; rewards-based crowdfunding; local, small project crowdfunding; and loan crowdfunding. Other crowdfunding platforms the Innovation in Giving Fund supported in order to do this were:

- **Solar Schools**, an innovative project that supports schools to crowdfund the cost of installing solar panels. It aims to cut carbon, boost school budgets, build fundraising capacity and directly engage thousands of people in renewable energy projects. **See page 22 for full case study. £427,207.47 has been raised to date. Renewable energy generated as a result of 800 crowdfunded solar panels = 200kwp.**
- **Buzzbnk**, an online crowdfunding platform that connects positive thinkers with enterprising doers. Through a model that includes loaning as well as gifting money to products and ventures, social enterprises or charities can raise money for a wide range of projects in a variety of ways. For instance, by offering fun and engaging benefits in return for goods, services or loans. Through connecting social ventures with backers, **£250,000 has been raised as of July 2014.**
- **Yimby ('Yes in my Back Yard')**, by JustGiving, is a new crowdfunding community that provides an easy way for people to use the web to raise funds for social and local projects. It allows anyone in the UK to raise money for a cause or community project they care about – whether they're a charity or not. Yimby has made impressive progress in scaling their work by mobilising their **13 million users and raising £1.3 million.**

Key findings and lessons learned

- All of the crowdfunding platforms have performed well during the lifetime of the Innovation in Giving Fund, despite their differing stages of development and focus, and continue to show why these new methods of fundraising are so appealing.
- Crowdfunder has raised significant funding: £3 million to date aiming to support social startups and themed campaigns such as Crowdfund Cornwall.
- Yimby has rapidly raised £1.3 million for small local projects, focusing on providing easy access without video content, particularly for those who are not part of existing charities like the main body of JustGiving users.

- There have been three interesting developments in crowdfunding. As crowdfunding often offers incentives or rewards to people donating it has the potential to attract donations from new sources. It can also connect donors to the causes they care about by allowing them to become investors in specific products. Research carried out by Nesta and Cambridge University shows that new, additional, donations are being attracted through crowdfunding platform usage. For example, over 80 per cent of those backing reward-based campaigns said the funds used were not previously allocated to charitable giving. The research also reported a trend towards people giving time or other resources through crowdfunding platforms as well as their donation. For instance, 90 per cent promoted it to their networks, around 30 per cent of donors to rewards-based platforms offered to volunteer for the project or provided advice and feedback, and 5 to 7 per cent offered to donate space or other resources.

Another interesting development was explored through a matched crowdfunding experiment working with a selection of Community First Panels in deprived areas. Local groups were supported to use crowdfunding to raise local funds as a cash match for their projects. The projects responded favourably, valuing the match and demonstrating their interest in continuing to use crowdfunding as a method to raise funds. There is a very clear opportunity for other funders to use this method to innovate in the way in which they deliver programmes. Crowdfunding has potential as a mechanism for funders to incentivise and increase the giving of money alongside time.

Personalised user targeting

From the research work of Innovation in Giving Fund awardee The Giving Lab, we know that people do not generally search to give online. A sample of monthly Google search results taken in March 2012 shows that while people often search for activities such as shopping and holidays, they are far less inclined to proactively look for opportunities to give. This presents a clear call to action for charities: when it comes to online, go to where people are and don't ever expect potential givers to proactively seek you out.

The challenge then becomes: where can people be found who are most likely to be interested in your charity or cause? Advances in behavioural targeting and the profiling of internet users are being rapidly exploited in the commercial world. Increasingly our browsing habits are being captured and we experience targeted advertising. This is usually in the form of adverts, which are related to things we search for which prompt us to read and share things on the web. The projects below, supported by the Innovation in Giving Fund, looked at ways of exploiting these trends to encourage people to give time and money to good causes.

CASE STUDY

re:act

Tapping into digital browsing habits to increase giving

Through the Innovation in Giving Fund we have supported re:act, an innovative web service developed by OneWorld UK which connects people with opportunities for giving or volunteering based on their digital browsing habits. It then encourages users to share these initiatives with their peers via Facebook and Twitter.



re:act showed highly promising results from its early stage testing with users. From a total of 751 recommendations made by re:act during the test period, 289 were clicked through, representing a click-through rate (CTR) of 38.5 per cent. re:act is now being used to offer opportunities from Do-It, the UK's largest source of volunteering opportunities. It continues to achieve excellent user engagement and has a click-through rate of around 10 per cent, which is several times higher than the nearest alternative marketing tools.

re:act is one experiment in the field of personalised targeted marketing and has implemented the idea as a plug-in (which users must download and install). Future impact in this area will be fuelled by innovations that implement the same or enhanced user experiences, but place no requirement on the user to install.

CASE STUDY

JustGiving (Recommendation Engine)

An Amazon-style way of targeting givers online

JustGiving's 'Recommendation Engine' uses online behaviour to determine a users' likelihood to fundraise, sponsor or donate, and then target them with relevant opportunities. Supported by the Innovation in Giving Fund, it's not dissimilar to Amazon's recommendation engine, but instead of recommending products, it recommends opportunities to give.

To our knowledge, this was the first pan-charity Big Data experiment in the giving economy and the results have been impressive. People that the recommendation engine categorised as highly likely to give were 300 per cent more likely to do so without any prompting. This development is now allowing JustGiving to tailor different messages to different users. The groups of users selected by the recommendation engine have consistently and significantly outperformed the groups that were selected using an intuitive approach.

JustGiving™



Key statistics

People that the recommendation engine categorised as highly likely to give were **300 per cent more likely to donate** without any prompting.

Key findings and lessons learned

- Along with other projects the Innovation in Giving Fund has supported, JustGiving and re: act prove that targeted marketing works in relation to giving in the same way it does in advertising. Chances to personalise and target opportunities to give are there for the taking. They mirror a much larger, broader trend toward the personalisation of services and experiences in many other facets of our lives.
- Data from the experiments above give strong indications that organisations who take advantage of these opportunities will be in a strong position to raise additional revenue. The organisations that are most successful in providing these kinds of behavioural targeting services may well sit outside the voluntary and charitable sector.

Targeting opportunities for giving works best when users are not required to commit extra effort, for instance to download and install software, as re: act found. As long as user experiences are good, we believe that this area of work will be an incredibly powerful way for people to 'bump into' easy opportunities to give to things that are of keen interest to them.

Attracting younger donors and volunteers

As the population ages, a bigger generation of habitual givers is being replaced by the smaller generation of 'Millennials'. People over the age of 60 now give over six times as much as those under 30, a trend that has been widening over the past three decades.



People over 60 give over half (**52%**) of the total amount of money given to charity, compared to **35%** thirty years ago²⁰

Comparatively little is known about the new generation of givers: what they care about, what their perceptions and attitudes towards giving are and how they are developing in response to their environment. Many charities are struggling to adapt fundraising strategies aimed at older generations to this new group – a group who have grown up with social media, mobile technology and a strong consumer culture.



11 organisations supported by the Innovation in Giving Fund focussed on increasing giving in young people or adopted a very youth-oriented style and branding designed to appeal to younger people

“What you’re doing now is trying to develop a whole new generation of givers who will perhaps be used to digital, but perhaps not giving.”

Alice Durand, Heart of the City, speaking at Nesta’s Demystifying Digital event.

It is clear that stimulating this under-engaged audience will require charities to become much more aware of the motivations and interests of this younger group and to understand the ways that they communicate through new technologies. Appealing to people’s indirect motivations – their sense of fun, their attraction to new, freshly branded opportunities to give and easy ways to get involved – could help to bring new, younger givers in and stimulate additional interest in giving. A range of projects supported by the Innovation in Giving Fund set out to explore how young people’s potential could be tapped into, whether this was kids at school or, more broadly, the under-35s. Here are some of the highlights:

CASE STUDY

Young Philanthropy

Building philanthropy in young professionals

Young Philanthropy’s ‘Syndicate’ model enables a group of young professionals to join together and invest money, skills and energy in a niche charity project, with matched funding and mentoring support from their employer.

The Innovation in Giving Fund has provided Young Philanthropy with pump-prime funding to invest in key resources to scale and to generate income from corporate partners. By 2016 the organisation aims to earn the majority of its money from corporate partners and not be reliant on grants.



Key statistics

Since launching in 2011, **45 teams** have been set up at **10 major employers** donating over **£350,000** and **4,500 volunteer hours**.

In autumn 2014, Young Philanthropy doubled in size by launching **50 new teams across 20 businesses**.

350 professionals from these 20 businesses will collectively donate an average of **£200,000 of funding and 7,500 hours of business skills** over the next 12 months.

Young Philanthropy now has **70 charities** in its portfolio.

CASE STUDY

Solar Schools

Finding new ways of fundraising in schools

Run by 10:10, Solar Schools is an innovative project that supports schools to crowdfund the cost of installing solar panels. It aims to cut carbon, boost school budgets, build fundraising capacity and directly engage thousands of people in renewable energy projects.

Schools have taken part with enthusiasm – 65 schools signed up, raising £400,000 – a considerable achievement given the project's early findings that teaching staff were supportive but often too busy to engage fully. 10:10 are now undertaking a trial with Greater Manchester Voluntary Council .



Key statistics

65 schools have participated (15 new schools joined Sept 2014).

23,575 students engaged (6,099 new ones this year).

£400,000 raised.

Renewable energy generated as a result of crowdfunding 800 solar panels to date = **200kwp**.

CASE STUDY

Apps for Good

Tapping into young people's enthusiasm for technology to create 'social good'

Apps for Good is an acclaimed technology education programme that teaches young people how to build mobile and Facebook apps to solve real-life problems, with the help of volunteers, many of them young professionals. Delivered in primary, secondary and FE schools across the UK, students work in teams to identify the problems they want to tackle and determine how to solve them. It's a strong proposition that has both successfully brokered volunteering into schools and scaled its activities in the UK.

The organisation predominantly fundraises from large corporations, but a key focus is to diversify their funding partners and create a sustainable revenue model. They have been trialling working with SMEs and developing expert volunteers to advocate on their behalf for corporate cash.



Apps for Good

Key statistics

480 schools participating for the 2014/2015 academic year (more than doubled since 2013/2014).

22,987 students engaged for the 2014/2015 academic year.

842 industry experts recruited as of November 2014.

Key findings and lessons learned

- Six of the ideas supported through the Innovation in Giving Fund were specifically aimed at encouraging younger people to give, with a far higher number of organisations adopting a brand, tone and style that was intended to reach out to a younger demographic.
- The Fund was designed to attract as many different ideas from different sectors as possible. Many of the ideas supported through the Fund did not originate from established charities or voluntary organisations, but were created by digital social entrepreneurs. This relatively young sector has undoubtedly brought fresh thinking, fresh branding and a more tech-savvy attitude to developing new innovations in giving.
- Both Solar Schools and Apps for Good demonstrated a flexible approach that allowed them to change tack mid-way through the process when evidence suggested things weren't going as they expected. We know an evidence-based approach, which is sensitive to what works and what doesn't, particularly in the early stages of development, is necessary and likely to pay off.
- Mencap also changed their plans. Before any development began on their sponsorship platform, the idea was tested with focus groups where it quickly became clear that the appetite for this product was very low. This showed the benefits of testing ideas with users before committing large sums of money and effort, and challenged the idea that technology is always the right answer for young people.
- Young Philanthropy uses technology to connect young professionals to maximise fundraising, for instance through match funding. Models such as this have real potential to increase giving, especially among the highly connected and social younger generation of givers.
- Through an open approach to innovation, socially beneficial products that centre around young people, such as Solar Schools, can be used in other contexts. In the case of Solar Schools, looking out to the wider community through testing the concept with community buildings in Manchester.

Increasing Giving in the workplace

There is a widespread perception that mass corporate volunteering often doesn't make best use of the skills of the volunteers. Consequently, a significant number of applications to the Innovation in Giving Fund focused on new ways of connecting people with professional skills to specific kinds of work. The Fund supported a range of business giving models which included matched giving (Givey), digital peer-peer brokerage platforms (GoodPeople), new, faster, fun and better ways to help social ventures solve challenges and get things done (Good For Nothing) and also supported SMES to add value to their business through being able to quantify their giving activities (Trading for Good).

CASE STUDY

GoodPeople

Enabling good causes attract the skills and expertise they need

GoodPeople is a peer-to-peer marketplace to help organisations attract people who want to use their skills to support the causes they care about. It is a place for start-ups, charities, social enterprises and NGOs to find the expertise they need to grow.

As part of the Innovation in Giving Fund, GoodPeople was awarded £50,720 to support the rollout of GoodPeople.co.uk and the scaling of the network through strategic partnerships. Through partnership with BT, GoodPeople has set up 'Transition Force' which uses technology and events to enable corporate organisations and their employees to support armed forces leavers to transition to civilian life. GoodPeople also functions as a pathway into employment, offering a free, socially responsible recruitment service.

GoodPeople are **working with the property developers of the Shard** to design an effective business model to address the borough's employment-related issues.



CASE STUDY

Women Like Us

Reaping the benefits of a more flexible workplace

Women Like Us is an award-winning social enterprise, helping women with children find work to fit with family life. It does this by providing frontline career advice and support, as well as access to part-time work through its specialist recruitment service, Timewise Jobs.



Through its new online careers service, Women Like Us is aiming to enable thousands of women to exchange their knowledge and skills, to help each other build careers – or start businesses – that can be balanced with caring responsibilities. The idea was to create a space where women can offer or swap their expertise through an online portal, and using a range of sharing tools (such as webinars, blogs and forums), to maximise giving, impact and learning.

For example, a retired HR professional could run a webchat on how to address career gaps in preparing a new CV, or a finance officer in the city could host an online Q&A on building a part-time career in financial services. In doing so, founder Emma Stewart wants to harness what she calls the ‘latent motivation’ in many women who have grappled with balancing work and family life, and are keen to share and swap their knowledge to help others build fulfilling, family-friendly careers.

Key statistics

6653 visitors in the first five days of the launch (April 2013).

52,000 registered users across Women Like Us and Timewise Jobs.

55 companies supporting the site.

54 volunteers, with 33 committed to the mentoring pilot.

CASE STUDY

Good For Nothing

Low-cost giving of more than money

Good for Nothing supports a community of people who give their time, energy and money for free to make a positive impact on charities, social enterprises and other good causes. They do this through running events and weekends that bring creatives and seasoned professionals together with groups and charities that have specific problems or tasks that need doing.

The organisation successfully grew and scaled three new chapters (groups) across three new cities, significantly growing their community. A particular strength has been their intrinsic use of testing, reviewing data and refining and developing their business model. This model runs off ‘nothing’, so the organisation encourages chapters to seek out support from local businesses, shops, brands and people. However, they’re realistic in knowing that they can’t get everything for free. Therefore, the team are building a set of tools geared towards enabling chapter leaders to secure small pots of additional funding.



Key statistics

Over **3000 people** in over 20 chapters (groups) in cities spanning the globe.

1200 professionals have given **13,000 hours of time** to **80 grassroots ventures**

and innovators.

The above work has reached over **50,000 beneficiaries.**

CASE STUDY

Give What You're Good At

Connecting professionally-skilled volunteers with charities

Give What You're Good At matches professionals who want to give their skills to charities who need talent. The platform helps charities, companies and individuals get the most out of volunteering, by pairing the professionals with opportunities based on their skills and interests. For instance, a charity might be looking for an expert to design a logo, plan a social media campaign, complete a funding application or build a website.

The organisation was awarded £50,000 by Nesta's Innovation in Giving Fund to improve and scale their platform. They developed a number of new features including: a way to find professionals to complete quick pieces of work, an application to book free meeting and training rooms, and a framework for small businesses to find local opportunities.



Key statistics

2,365 charities and social enterprises have registered on the site.

15,000 professionals have registered on the site.

95 per cent of professionals matched come back to do another project.

90-plus sector partners covering 210,000 non-profits.

Referral partnerships with **427 companies**.

CASE STUDY

Trading for Good

Connecting professionally-skilled volunteers with charities

Trading for Good is a digital service that inspires and supports small and medium-sized businesses to be more socially responsible, by celebrating the good work they do in their communities. Designed much like a social media platform, the website provides companies with their own profile page showcasing all their corporate social responsibility (CSR) activities.

Prospective customers, whether they are from the private or public sector, can then judge businesses listed on the Trading for Good website by their social as well as economic value. As well as supporting small and medium-sized businesses, this helps to create a culture where organisations are judged on more than purely commercial success. There are currently over 20,000 profiles listed on the site.



Key statistics

By March 2014, Trading for Good members had **raised more than £180,000** for good causes, completed more than **29,000 of pro bono work** and donated more than **£83,000 to charity**.

Key findings and lessons learned

- Employee volunteering and giving in the workplace is gaining popularity, but getting the motivation right is key. For Trading for Good, the motivation is often economic; namely it makes good business sense to be undertaking, quantifying and making visible the social value your organisation is creating. For Women Like Us, it is a highly focused intervention, appealing to women's desire to help other women back into the workplace.
- There was significant appetite in a number of applicants to the Fund to develop a completely disintermediated platform for brokering employee volunteering (i.e. there is no need for a 'middle man' like a Volunteer Centre). The underlying assumption was that through using digital technologies, the process of employee volunteering could be significantly simpler (for a business to adopt), provide much more intelligent matching of corporate volunteers to community or charity needs, and offer a much more diverse and attractive set of volunteering opportunities. All these platforms are in their early stages. However, the vision is credible and the online market place model has worked well in other contexts and is also gaining traction in 'sharing economy' ventures.
- Good For Nothing adopts a fresh hackathon-like model to skilled volunteering which appeals to a younger demographic of givers. It is also highly demand-led, with volunteers responding to focused and specific requests for support from social ventures. Combining specific opportunities to give in a lively, energising environment under an attractive brand clearly works well.
- Many innovations in giving that encourage people to give their time (Give What You're Good At, GoodPeople, Good For Nothing, Give Where You Live) do not mention the word 'volunteering' often or at all. Maybe this is because the word is past its sell-by-date? Or, at the very least, is less of a motivating factor for encouraging action than it once was.
- The above platforms and enterprises often have a fresh style and are providing new opportunities for people to share skills that charities and community groups are increasingly looking for.
- While we may never want or need a world where there's a Tinder-style app for connecting volunteers with opportunities to give, through the interventions and platforms listed above we do see an increased focus on the role of technology-facilitated matching and brokering.
- If the focus on technology-facilitated matching and brokering continues to grow in the coming years, we may see a wholesale change to the infrastructure of volunteer-involving organisations, as well as new players that have attracted and retained a new generation of volunteers.

Giving and the Sharing Economy

When we launched the Innovation in Giving Fund, one of our starting assumptions was that the idea of sharing and exchanging (as distinct from giving) was underexplored territory and could be key to increasing giving. We also felt it was key to charities thinking differently about how they deliver their services and fulfil their missions. We wanted to expand the idea of giving to include, by default, things (assets, physical goods etc.) as well as time and money.

“The revenue flowing through the share economy directly into people’s wallets will surpass \$3.5 billion this year, with growth exceeding 25 per cent. At this rate, peer-to-peer sharing is moving from an income boost in a stagnant wage market into a disruptive economic force.”²¹

Forbes, Jan 2013.

The timing of the Fund, and our starting assumptions about the importance of the sharing of ‘things’ alongside time and money, has coincided with the rise of the ‘Sharing Economy’, epitomised by a growth in the number of initiatives, often digital, that seek to make more intelligent and elegant use of assets and resources in our communities, homes and businesses. That could mean sharing or renting out your spare room, your driveway, your car, your skills or things that you own that you don’t use very much, if at all.

Nesta’s recent report *Making Sense of the UK Collaborative Economy*²² examined who operated and participated in this alternative form of giving, as well as how it can be supported and managed. It highlighted 25 per cent of UK adults used internet technologies to share assets and resources over the last year.

The collaborative economy is clearly going through a period of growth and experimentation with a very strong take-up of activities that share things via digital marketplaces. Many of the grassroots initiatives and businesses that form part of this new sharing economy are focused on matching excess or unused assets in communities with people who need them.

Some examples of collaborative economy innovations we have supported through the fund include:

CASE STUDY

Casserole

Sharing Meals

Casserole is a neighbourhood food sharing scheme that connects people cooking at home with others in their community who could benefit from a home-cooked meal.

Founded by FutureGov, it is working to reduce social isolation and improve meals on wheels services by coupling the willingness of regular people to cook an extra portion of dinner to share with local community members who struggle



to cook for themselves. Through a piloting approach, the team is currently discovering how their service fits with a range of existing offers, from meals on wheels and home visiting or befriending services to commercial food businesses and delivery services. Since launching, over 5,000 people have signed up to be local cooks for people in their communities. Interestingly, Casserole have to date found more volunteers to cook meals than people signing up to eat them. This is one of the challenges they will be seeking to overcome in the next phase.

Key statistics

5,000+ cooks creating meals.

1,300+ meals shared with local community members.

CASE STUDY

somewhereto_

Sharing Space

Somewhereto_ helps young people find the space they need to do the things they love.

Run by Livity, it gives 16- to 25-year-olds access to spaces for projects ranging from film and theatre production to fashion shows to business startups, to dance performances, and much more. On the somewhereto_ website, they can search for and request the use of particular buildings and spaces.

Regional teams across the UK help young people access space by connecting them to businesses, people and organisations that have spare space to offer. This year, 9,330 matches have been made between spaces and young people, well above their set targets, enabling over 1,857 activities and events for young people to take place.



Key statistics

9,330 matches between spaces and young people.

137,050 young people engaged or directly matched to a space.

1,857 enterprising activities supported.

CASE STUDY

The Economy of Hours (Echo)

Sharing Space

The Economy of Hours puts a new spin on business by encouraging the trading of time rather than pounds and pence. Each hour spent donating skills is rewarded with one 'Echo'. Echoes can then be redeemed with other businesses that are members of the Economy of Hours network. Whatever skills you have, they are valued equally.

Primarily a business-to-business timebank, The Economy of Hours offers opportunities for local (often quite small) businesses to support each other as well as make

Echo



more efficient use of local skills and resources. Through a partnership with the London Legacy Development Cooperation, it is bringing the idea of a 'sharing city' to the Olympic Park and its surroundings. Trading has tripled this year, with 20 East London organisations now joining every month. Users are winning commercial work as a direct result of trading with the currency, which has grown to become well-respected and trusted.

Key statistics

535 organisations trading **340.5 hours per month**, with an average of **522 listings** on the platform at any given time.

20 East London organisations joining via the platform each month

Total resources traded value to date:
£210,740.00

CASE STUDY

Streetbank

Sharing Stuff

Streetbank.com gives neighbours the opportunity to offer their time and skills – or lend and give away consumer products – to anyone living within one mile of their home.

Streetbank's hyperlocal focus on community sharing and gifting is centred on building stronger and more connected communities, while at the same time meeting the real and immediate needs of its members, such as access to equipment and furniture. It also offers a way of locally recycling household items that are no longer needed. Streetbank now has nearly 60,000 members across the country, with an average of 1,800 requests per month through the website.

streetbank
share things with your neighbours



Key statistics

57,923 members.

32,100 visits per month.

1,800 requests per month.

Key findings and lessons learned:

- The activities of meal sharing, lending things to neighbours and making use of empty spaces are not new, but technology is beginning to reinvent these behaviours at a scale not possible before. Streetbank shows that sharing is not driving the activity on the platform – giving away and requesting free items is by far the top activity consistently around 60 per cent, followed by skills at around 25 per cent, while sharing is third at 15 per cent.
- The platforms listed above do not overtly talk about 'giving' or 'donating' or 'volunteering' and their brands are often fresh, distinctive and attractive to a younger demographic.
- The organisations the Innovation in Giving Fund supported that explored sharing were often dominated by a peer-to-peer model, where the platform acts as a connector

between the needs people have and the individuals who can fulfil them. They are about giving directly to a person in need – not to a charity or third party organisation.

- Business models such as the one adopted by Economy of Hours for Echo are developing alternative kinds of currencies that allow businesses, communities and households to exchange time and share assets and resources in new ways.
- The principles that underpin all these collaborative marketplaces supported through the Fund show that there is huge, underexplored potential to make much more efficient use of public assets and resources.
- All sharing economy platforms rely on being able to match what people need with what people have to give. Building that density of supply and demand, or finding ways to make the demand in a community more visible, is absolutely critical to success.
- Sharing economy platforms have the potential to deliver several outcomes of wide and transformative benefit to the voluntary and community sector. In addition to this, they are proving that people are willing to lend, share or give away many different kinds of things, whether that be a cooked meal, equipment or a spare five minutes to run an errand for someone.

The Volunteer Centre Programme

The UK's volunteering infrastructure has faced some serious challenges in the last 18 months, and there is a need for Volunteer Centres to innovate. As part of the fund, in early 2013, Nesta launched the Volunteer Centre Programme to help them to increase their impact and financial sustainability through innovation. We engaged with 90 local infrastructure organisations through regional events and ultimately selected eight for intensive support to develop their ideas and to encourage them to think about innovation as a deliberate strategy for increasing the impact of their work

Despite being a relatively small intervention, the Volunteer Centre Programme produced some powerful results. One of the highlights was Voluntary Action Leeds, which established the world's first volunteer centre inside a prison.

CASE STUDY

Voluntary Action Leeds

Voluntary Action Leeds has established the world's first volunteer centre inside a prison at HMP Leeds, run by prisoners, which provides opportunities, advice and training for inmates who are considering volunteering when they are released.

Following the project's inception in July 2013, in its first nine months it has supported 42 organisations across West Yorkshire to take on men and women with convictions, created three leading toolkits to share learning and supported 280 people to overcome their barriers to volunteering, giving over 2,000 hours of time. The project is in its infancy, but so far the re-offending rate is less than 1 per cent.



Experts estimate the cost of a six-month prison sentence to the state is around £37,000. Using that average, the project estimate it has saved the state around £5 million.

Key statistics

Supported **42 organisations** across West Yorkshire in first nine months and have now gone on to **help 280 people**.

So far the reoffending rate of prisoners

less than 1 per cent compared to national averages of around **70 per cent**. This is promising but must be caveated as is an early-stage project.

There is no doubt that the existence of ‘high touch’ interventions to broker quality volunteering opportunities for people and partners who may require a good deal of personal and face-to-face support can have, even if we take only Leeds as an example, high levels of positive social and economic impact.

However, generally, there were a large number of applications to the Innovation in Giving Fund that sought to use digital platforms or completely new ways to broker connections between volunteers and volunteering opportunities. These included:

- **Do-It Connect** is the UK’s largest volunteering database with over 200,000 people per year finding relevant volunteering opportunities with charities and in their local communities. The ‘Volunteer Finder’ function allows organisations to reach out and make contact with volunteers registered with the site, rather than relying on people seeking them out. The pilot showed that volunteering recommendations made to the sample group via email resulted in a 53 per cent click-through rate, which is far higher than average.
- **Slivers of Time** continues to demonstrate impact through making it easier for people to volunteer their spare time to employers, voluntary organisations or their local community. Slivers of Time enables individuals to show volunteer-seeking organisations when they are available to volunteer. Prospective volunteers can specify precise hours in the day when they are free. With over 10,000 users this year alone, it has brokered over 50,000 volunteering opportunities.
- **Give What You’re Good At** helps charities, companies and individuals get the most out of volunteering, by matching professionals with opportunities based on their skills and interests. They have now brokered nearly £6 million worth of professional skills into the charitable sector with nearly 13,000 charity projects on the site looking for support. (See [case study on page 26.](#))
- **Apps for Good** is delivered in primary, secondary and FE schools across the UK, enabling young people to create imaginative mobile apps that could change their world – with support from talented tech professionals who volunteer their time and expertise. (See [case study on page 22.](#))
- **Good for Nothing** supports a community of people who give their time, skills and energy for free to make a positive impact on charities, social enterprises and other good causes. They do this through running hack weekends, bringing creative and seasoned professionals together with groups and charities that have specific problems they need solving and things they need doing. (See [case study on page 25.](#))

One of the requirements of the Innovation in Giving Fund was to draw out and showcase learning from across the projects. Looking back at the Volunteer Centre Programme, Nick Okenden, Head of Research at NCVO, identified the following key findings and lessons learned (below):

Key findings and lessons learned

- **Don't get hung up on the term innovation.** This might sound odd as the whole project was about innovation but it's important to recognise that innovation means different things to different people – and that while many people love the term, others may not. Innovation also often depends on the starting point of the organisation involved; what is innovative, creative and different from one organisation may appear to be established practice to another.

Equally, good innovation is led and funded by those who are comfortable with risk and failure. Innovation is as much about the process as it is about the end point, and the culture change that can emerge out of challenges and new experiences can often be a very valuable outcome. Any innovation should build on existing experience and contacts, and supplement the more 'traditional' and existing ways of working rather than replace them.

- **Work with new people.** This may sound obvious but successful innovation relies on the engagement of new audiences and contacts; it's more about people and partnerships than the latest technology.

The Volunteer Centres worked with police commissioners, prisons and libraries, as well as digital agencies and social enterprises. This frequently involved new ways of working, such as promoting greater transparency, testing ideas methodically, pitching to commissioners, or simply adapting to differing levels of bureaucracy.

- **Be clear what skills you have and what you lack.** An early review of the skills required meant that projects were well-placed to quickly develop recruitment strategies, minimise later delays and costs, and highlight future opportunities for staff and volunteer development.

It is vital to know what skill sets you already have within your team – which may not always be obvious – and what gaps you need to fill by drawing in people from outside. With the Volunteer Centres, this often involved buying in technical support for website development or social media work.

- **Developing a communications strategy at an early stage** can help people to understand the novel ways of working being tested, open up new channels of communication with potential users, customers or clients, and provide useful user feedback.

The Volunteer Centres found that this was particularly useful when working in more controversial or contentious areas, such as involving volunteers in public services that were once provided by paid staff and therefore at risk of being criticised for job replacement.

- **Evaluate, adapt and learn. Innovation is about trying new things**, adapting them when they don't work, and trying it again in a constant cycle of improvement. The Volunteer Centres found flexibility in relation to changing circumstances and unexpected events was crucial, although they needed to balance this alongside overarching plans and milestones. They also found that evaluation and monitoring are key elements of the process, increasing their ability to communicate the value and impact of their work.²³

The Open Innovation Programme

We wanted to explore and analyse, in more detail, new ways people can be encouraged to give time, money, skills and resources to the causes they care about, so we set up The Open Innovation Programme. It gave ten charities the opportunity to test out innovative ideas for increasing giving. Through a partnership with 100%Open, a specialist innovation agency that helps large organisations create value through innovating with others, we worked with charities and innovators to develop their ideas.

“If charities aren’t constantly innovating to drive change, they’re not doing their jobs properly.”

Lucy Gower, 100%Open, speaking at Nesta’s Innovation Methods for Charities event.

Open Innovation is a process for developing new ideas, often sourced externally in partnerships that share both the risks and rewards of innovation. It is an area of work that Nesta has explored at length and we have found it is most effective when it is drawing from skills and knowledge across private, public and third sectors.

“I think what’s really nice is that charities are starting to engage in spaces you wouldn’t expect them to: starting new websites, [finding] new ways of making money, gathering support and gathering engagement from lots of different propositions.”

Adam Morecroft, Marie Curie Cancer Care, speaking at Nesta’s Innovation Methods for Charities event.

Charities have a lot to gain through taking an open innovation approach, working with external organisations to get a new perspective on existing problems and to test out new ideas. However, open innovation has many challenges. Traditionally, organisations have been very closed in their approach; they may feel that they have the best ideas already or want to protect themselves and their products from competitors. Charities are no exception.

“We often don’t ask other charities or organisations if they know people that can help us, and that wastes time.”

Kemi, Global Giving, speaking at Nesta’s Innovation Methods for Charities event.

While the charities we worked with are all experts in their fields, we also identified barriers that may be stopping innovation, such as a lack of risk taking and a culture of ‘playing it safe’. At a time of constrained resources and increased scrutiny this is understandable, but something we feel is stifling creativity and productivity. When times are tough, innovation is also often one of the first things to be cut. And yet, as a number of the open innovation projects show, it can help to tackle some of the many challenges the sector faces. Here are a few examples from the Open Innovation Programme:

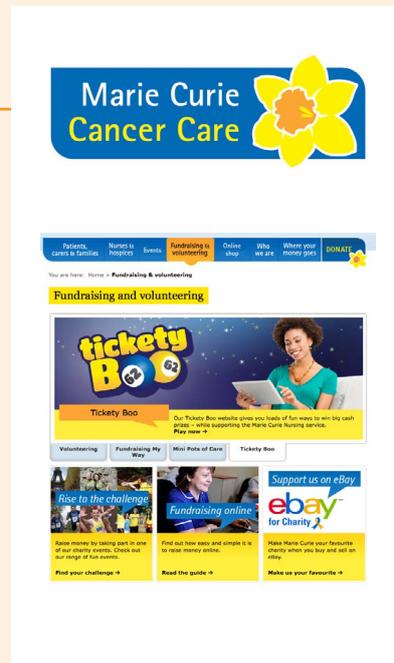
CASE STUDY

Marie Curie Cancer Care

Using gaming to attract new donors

Marie Curie Cancer Care set out to solve two giving challenges. Firstly, how to attract a new demographic of donor, who may not otherwise give to charity, by tapping into people's competitive nature. Secondly, how to capitalise on the growing trend of using gaming in the not-for-profit sector cost-efficiently, while complying with legislation governing this type of fundraising.

Working with a range of open innovation delivery partners, Marie Curie Cancer Care created 'Tickety Boo', a loyalty based, data-driven, online gaming platform where supporters can play free or paid-for games such as bingo, raffles and lotteries. Marie Curie intended to build the technology themselves, but enlisting a gaming provider proved significantly more cost effective. By being willing to let go of initial assumptions, they were able to reach their destination more quickly and effectively.



Key statistics

Since March 2014, over **£86,000 of deposits** were made on TicketyBooGames.com

Over **2500 people** have registered an account with TicketyBooGames.com

TicketyBoo.com has generated **£50,000 of gross income** for lottery and raffle products

CASE STUDY

Mencap: Kids For Good

An evidence-based way to grow giving

Mencap's income from schools fundraising has dropped significantly over the past seven years. In addition, their donor base is ageing: 9.39 per cent of donors responding to their appeals are aged 45 or above. While digital innovations such as JustGiving have revolutionised the adult sponsorship market, children and schools still use paper-based sponsorship forms.

As part of the Open Innovation Programme, Mencap created a vision to create Kids for Good, a fun, easy and safe way to raise sponsorship from family and friends online. They applied an evidence-based approach, working with pupils,



parents, teachers and the Mencap Young Ambassadors. What they discovered was no appetite or demand for a digital giving platform within the schools context. The Open Innovation Programme enabled the team to carry out focus groups and research to show that on this occasion technology was not the solution. Instead, potential donors and participants valued Mencap Young Ambassadors themselves as a key asset in engaging schools and encouraging understanding as well as giving. This changed the way Mencap approached the development of an innovation process.

Key statistics

Mencap's income from schools fundraising has **dropped 74 per cent** in the last seven years.

In addition, their donor base is ageing: **93.9 per cent** of donors responding to their appeals **are aged 45 or above**, which reflects wider trends in the charitable sector.

CASE STUDY

National Trust: The Big Family Day Out

Engaging families to make volunteering fun

The National Trust Volunteering Team developed The Big Family Day Out, an innovative family volunteering proposition combining underused employee volunteering days with family days out. They sought to design and build a web platform to enable companies and their employees to lend a hand at National Trust properties. Originally, it was envisaged that one key national employer would act as the partner. However, after consulting with a range of business brands it became clear that there was appetite among both national and regional businesses to take part together.

The team found that introducing even a microsite within an organisation can take significant coordination between internal and external digital delivery partners, and this led to some unforeseen challenges for employer registration. However, this did not hamper overall uptake, and in 2014 the Trust has continued to test their concept, working with more employers and properties to find out what works best and then scale this up. The piloting of a new idea has enabled them to test things out in a relatively inexpensive way (compared to doing no testing at all).



Key statistics

185 people took part in the pilot (employees plus family members) across **eight activity days** at **six properties** in the North West.

Ten employers took part; three were National (Barclays, BT and Marks and Spencer) and seven local (Manchester

Airport, Jaguar LandRover, Eversheds, Trafford Centre, Bruntwood, Turner and Townsend and BNY Mellon Manchester Office).

Eight properties have taken part during May and October half terms with over 100 people involved.

Here is a brief summary of the other projects supported through the Open Innovation Programme:

Age UK

Age UK worked with Innovation in Giving awardee Ecomodo to develop a new giving programme to both generate income and create greater social impact. Building on Ecomodo's existing platform, Age UK explored a new business model based on skills sharing which encouraged older people to actively engage in society, called Wealth of Experience.

The Children's Society

The Children's Society, which works to ensure young people are happy, valued and respected, is looking to make giving more locally relevant and transparent and to attract new audiences. The team chose to centre on an existing project in Newcastle working with young runaways. The project used a 'magic' experience to connect with younger potential donors in the street and locally tailored messaging to reach out to supporters. Engagement with young supporters increased, but donations did not see a marked increase as a result of the project. However, the team learned about how to run locally-focused campaigns and more creative engagement methods to reach new demographics.

Keep Britain Tidy: Love Where You Live

Environmental charity Keep Britain Tidy already has an active supporter base which, it estimates, contributes over a million hours a year towards its core work. The problem is it doesn't log, acknowledge or share this contribution. Nor does it give volunteers the opportunity to donate. To tackle this, the team worked with a range of tech partners to unify their supporter network and data, and to provide rewards for volunteers through the platform as part of a new, visible collective donor base.

Foodcycle

FoodCycle is scaling its network of volunteer-powered hubs, which address food wastage, food poverty and social isolation. Each community hub runs on a triple donation model: supermarkets donate surplus food, local organisations give spare kitchen space and volunteers give up their time to create freshly cooked meals for people in the community. With support from the Innovation in Giving Fund, FoodCycle has developed a successful and sustainable social franchising model. The team now operates 17 hubs.

Scope and WWF

WWF, one of the world's largest conservation organisations, worked with Scope, which supports disabled people and their families, to understand whether charities from seemingly disparate causes can work together to reach out to donors to create a culture of giving. Research demonstrated that thoughtful messaging of WWF's work offered the possibility of simultaneously building people's support for conservation and for disability rights. WWF and Scope have drafted a toolkit which will bring the learning to a wider audience of fundraisers at workshops in the New Year.

SUPPORTING INNOVATION IN GIVING

As highlighted at the outset of this report, supporting innovative ideas requires a degree of risk-taking, but it also requires a way of understanding the performance of individual ventures being supported. Classic tools which work well for everyday management (such as very clear specification, precise tracking, performance management against static targets), often do not work well for innovation projects and programmes. Our challenge was to get the right degree of clarity and evidence about what was working in the ideas we supported, while still affording a good degree of space, time and support to allow the ideas to grow, and through iteration, evolve.

Measuring impact

Understanding how to measure and judge the actual and potential impact of an early-stage idea can be challenging and often requires us to look across multiple time horizons. It is essential to assess how an innovation is performing and evolving, especially in its early life. However, an approach that is too harsh or too forensic can be damaging and self-defeating.

The Innovation in Giving Fund was focused on the future of giving, disruptive new ideas and systemic change.

In formulating an approach to understanding potential impact and likelihood of success, Nesta developed a series of questions to test out on our awardees:

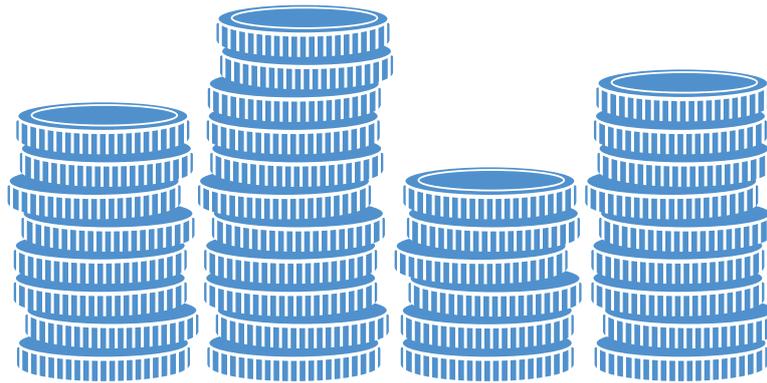
- Is there a clear and consistent logic that the innovation is the right solution to the challenge/problem/market gap it aims to address?
- How are the team collecting and responding to data on usage of their idea?
- Are the team building the right skills they need to grow?
- Are the intentions and ambitions of the team clear?
- Are we seeing sustained growth in usage?



225,402

Number of volunteers engaged during the Innovation in Giving Fund

From our last data gathering exercise in August of this year, we know that collectively the organisations supported through the Fund have engaged 225,402 volunteers and raised £5,583,312. For a fund so focused on early-stage ideas, these numbers are very encouraging.



£5,583,312

**Amount raised during the life time
of the Innovation in Giving fund**

As well as looking at the growth trajectory of awardees to assess their impact, we have also assessed how Cabinet Office funding has been used to leverage funds from other funders and investors. Further, additional support for organisations has been, to date, an additional **£15,660,019**, which has followed Cabinet Office funding from a whole variety of sources. Ideas that have benefited from the Innovation in Giving early-stage funding and support have attracted interest and attention from others who may not be in a position – or have an appetite – for the risk associated with such early-stage funding. As you might expect, current success of the Fund’s recipients is not evenly spread. Highlighted below are some of the organisations who are showing the most quantitative impact.



£15,660,019

**Amount raised by Innovation in Giving
awardees from other sources, following
support from the Cabinet Office**



has reached

345,000

people in the UK and over

a million

people globally.



has now passed the

10 million

mark for micro-donations
made, raising over

£3 million

to date

inspiring
the
future

has reached over

300,000

young people to date



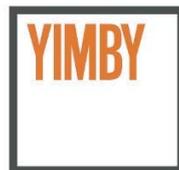
has

£3 million

from a community of

100,000

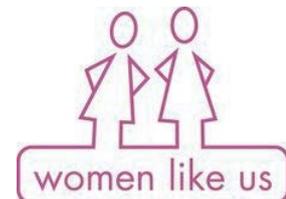
people putting money
into projects.



by JustGiving

in November 2013,
has now raised

1.3 million



52,000

registered users across
Women Like Us and
Timewise Jobs



842

industry Experts recruited
as of November 2014,

22,987

students engaged for the
2014/2015 academic year.

Trading 
for good

20,000

+ subscribers/users

PROJECTDIRT
CONNECTING COMMUNITIES FOR GOOD

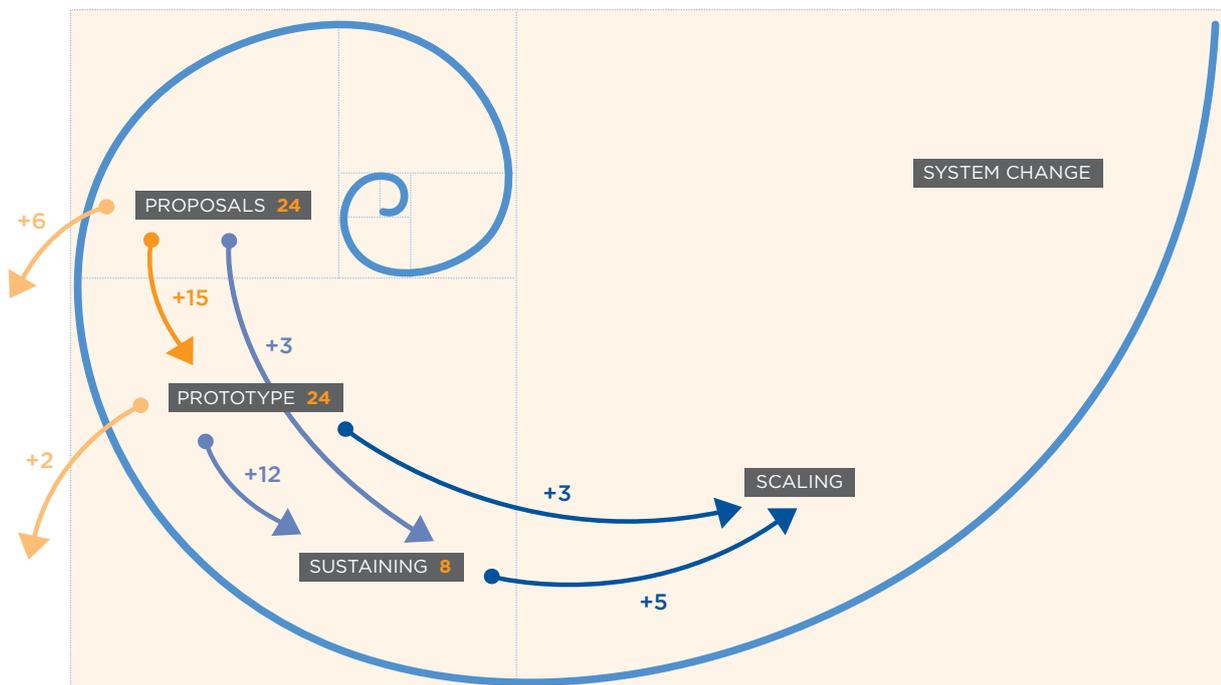
now at

66,000

+ members

Given the embryonic nature of many of the ideas we supported, their impact may not be realised for a number of years. But early indications of impact can also be judged on the progress they have made throughout the course of their engagement with the Innovation in Giving Fund.

Nesta often use the spiral diagram below, as a framework for plotting the stages of innovation. Nearly half of the organisations supported as part of the Innovation in Giving Fund were at a proposal stage i.e., at the very earliest stages of their life. Plotting progression through the innovation cycle, six organisations can be said to have moved very significantly (from 'prototype phase to scaling' or from 'proposal to sustaining'), while 32 have shifted from one phase to the next.



In supporting so many early-stage ideas it was not expected that all would succeed. Eight of the ideas we supported did not work. We have generalised, below, some of the reasons for an ideas not progressing beyond testing phase.

Learning from failure as well as success

In a small number of projects, the idea was very well developed and executed, but it did not turn out to be as strong a proposition as first thought. In two distinct cases, after a good degree of testing and prototyping, it was clear that the logic behind the projects did not hold and that there was no obvious way to change them and make them work.

In another situation, an organisation developing an idea encountered wider issues of viability and sustainability. The sales and funding opportunities did not present themselves in time, or at the right scale, to allow the business to survive. This is, of course, a common and often

near fatal challenge for many early-stage ventures. However, as the Fund was supporting new forms of giving that often required users to adopt new ways of thinking or change existing behaviours, we saw that in some instances it was the fact that the idea was 'unusual' that caused the venture to falter.

In another case, members of an organisation could not agree on the direction of the idea and the pace at which it should grow, resulting in a disagreement that resulted in the closure of the business.

In these circumstances, the ideas remain unproven and to a large degree untested. Some of these innovations – for instance, one idea to provide a social network for co-ordinating informal and formal care, or another to provide a 'care pension' that sits outside the cash economy – are still worthy of experimentation.

Alongside this, we can also make some general assumptions about the characteristics of success. These may be somewhat unsurprising but are worth documenting.

The characteristics of successful organisations

Successful organisations in the Innovation in Giving Fund have:

- A parent organisation or 'host' that has resources and reserves to support an early-stage venture.
- A talented management team, intently focussing on the grit and hard graft of growing a business. Organisations like The Pennies Foundation, Trading for Good, Dot Dot Dot, Year Here, Apps for Good and Inspiring the Future are all intently focused on data, quality and sales (in its broadest sense).
- A simple business model. It is not always easy to lock down on a business model in the early days of an innovation. However, this has to be decided on at some point if the idea is to succeed in achieving impact. Successful innovations don't tend to make untested assumptions about any part of a business model. They also refine their model quickly, based on prototyping .
- A simple ask of their users. The Pennies Foundation solution of asking a customer to 'roundup' to the nearest pound when paying by chip-and-pin in a shop stands in stark contrast to platforms where users are asked to engage in new kinds of behaviours, that they are not used to
- The foresight to deliberately test different ways of motivating and marketing to prospective donors or users, as well as a focus on keeping things simple. That is not to say that people cannot be encouraged to change their behaviours and adopt new ways of doing things. But those who can demonstrate this are most likely to achieve success.

CONCLUSION

Summary of key findings and lessons learned

The Innovation in Giving Fund supported a huge range of diverse and different ideas to increase giving, and many of the successful organisations supported by the Innovation in Giving Fund shared similar traits, despite working on very different products. They carried out research into their area of work and used this to inform what they were doing. They had a flexible evidence-based approach and weren't afraid to change tack if something didn't go according to plan. They had clear aspirations for growth and aimed to use funding to achieve self-sustainability. They were also aware of where their products fitted in the current marketplace and what was being offered by other organisations in similar areas.

Some of the most interesting, fresh and creative ideas we supported came from beyond the charitable sector from areas such as the digital social entrepreneur space. This resulted in a huge wave of compelling new ways of tackling challenges to increase giving.

Initial seed funding is key to supporting innovation intelligently. This allows organisations and innovators to establish themselves and to test new ideas and approaches. In the current financial climate low-cost solutions to everyday problems are popular. However, the benefit of investing in early-stage ideas in a way that gives them the time and resources to establish themselves is important – as is stopping funding for things that are clearly not working.

Technology has the power to transform how people give, but we need to invest in and support innovations in order to make the most of this rapidly evolving sector. As new technical products and services are created so are potential new opportunities for giving – whether this is through smart phones, 'chip and pin', apps or anything else. Creating a climate where innovation in giving happens at the same speed as innovations in technology is key to attracting a new generation of givers and embedding giving in everyday activities in a fun and relevant way.

Crowdfunding is a growing area of technology that has a great deal of potential, allowing givers to become investors in the things they support. The rewards-based model is one that has proved particularly successful. And match funded crowdfunding, in particular, is an area we highly recommend fundraisers explore. More experimentation is needed in this compelling and relatively new field. We have done some initial work with Community First panels, and are seeking partners for future work in this field for when we launch the Centre for Alternative Finance in 2015. Other areas of interest are leveraging time and assets, alongside donations, and community shares which have seen strong growth in recent years.

Digital innovations also have the power to allow organisations to target givers like never before, for instance in the same way the advertising industry does. Using direct targeting to promote causes designed to create social good has proven successful for a number of organisations the Innovation in Giving Fund supported. We believe it provides a clear opportunity for fundraisers which is worthy of further exploration.

While sharing and lending are clearly already happening, technology has the potential to amplify the peer-to-peer sharing of time, skills and resources. Through targeting users online, encouraging groups of people to work together through new platforms and engaging givers in fresh and interesting ways, a far greater impact can be achieved. While sharing can be a relatively low-effort form of giving, it can also be a new form of currency with time, skills and objects being exchanged. It is an area that has a lot of scope to offer a great amount for a relatively low financial cost.

Five year predictions

In recent years, the giving field has been disrupted by technological advances like never before. New platforms and other kinds of technologies are shooting up and both charities and innovators are keen to embrace them. For instance, apps such as Chirpify and Soldsie enable users to buy items or services through tweeting. As easily as a company asks users to ‘buy’, charities can now ask people to ‘donate.’²⁴ Over the next five years, much is likely to change as technology continues to develop rapidly and people become more and more comfortable with exchanging and transacting online. Here are our predictions for the how the giving landscape will develop over the next five years:

Social, opportunistic giving will continue to evolve and change

Since launching the Innovation in Giving Fund, we have seen a range of new fundraising campaigns that exploit social media and digital technologies; underlying our initial assumptions that in order to increase giving it needed to be fun, social, compelling and very easy to participate. Opportunistic giving, such as the Ice Bucket Challenge and No Make-up ‘Selfie’, is one of the most popular new areas of fundraising to have emerged recently. While it’s still very new and has yet to be fully explored, it does seem to have the ability to mobilise people to collectively commit significant amounts of money over a short period of time, as the case study below shows. However, it also has its challenges.

“To give, we need to be inspired, moved. We need to be asked. And we like it if it’s fun. Challenges, for yourself (like running marathons), or to others, are fun. Is the money given less worthy because the person isn’t engaged in the cause enough? Who’s judging?”²⁵”

Matthew Sherrington, independent charity consultant, Inspiring Action Consultancy.

Opportunistic giving tends to develop organically and not always in a way the originators of ideas planned. Campaigns can get ‘cannibalised’ with funds being donated to many different charities. And in many cases people take part but don’t donate, or encourage others to donate, at all.

CASE STUDY

Ice Bucket Challenge and No Make-Up 'Selfie'

Engaging families to make volunteering fun

Launched in November 2014, the Ice Bucket Challenge (also known as the ALS Ice Bucket Challenge) is an online phenomenon that involves people pouring a bucket of iced water on their heads. The aim is to encourage their friends (who can also be nominated to take part) to donate money to charity. The campaign went viral when the family of Pete Frates, a baseball player who was diagnosed with disease amyotrophic lateral sclerosis (ALS), started their own fundraising initiative.

THE ICE BUCKET CHALLENGE



While the stunt was initially created to raise money and awareness for the Amyotrophic Lateral Sclerosis (ALS) Association, in Britain the Motor Neurone Disease (MND) Association has also benefited. From 29 July to 28 August this year, the ALS Association website received \$98.2 million compared with \$2.7 million donated during the same period last year. Pre-Ice Bucket Challenge, the MND Association received on average £200,000 a week in donations. From 22 to 29 August, it was £2.7 million.²⁶ Macmillan Cancer Support also raised £3 million from ice bucket challenges.²⁷

While the campaign raised money quickly, donations became 'cannibalised' – i.e. split between different organisations. Studies have also shown that many people who took part didn't donate at all.²⁸ The challenge was also criticised for encouraging people to participate in something that could be a health risk.

Like the Ice Bucket Challenge, the No Make-up 'Selfie' is an online campaign they grew organically. It began by encouraging women to post pictures of themselves without make-up on Facebook and Twitter and to nominate their friends to do the same. Cancer Research, which did not start the campaign (it was reportedly started by individual Laura Lippman), raised £8 million in six days. The campaign grew quickly and adapted quickly – with some people re-tweeting or sharing pictures with encouragement to give to other organisations such as UNICEF.²⁹

While the No Make-up 'Selfie' raised money quickly, it was criticised for likening women being 'brave' by not wearing make-up to those battling cancer.³⁰ In March 2014, Jeanne Marie Ryan posted a no make-up selfie of herself on Facebook after being violently attacked by a man, to raise money for the Oxford Sexual Abuse and Rape Centre (OSARCC).³¹ Her page has been widely talked about and publicised online. 'Selfie' fundraising is becoming increasingly popular but, depending on how it is used and what for, it seems to have the potential to both motivate and repel prospective givers.

Whether opportunistic giving will prove to be a fad or something with real longevity has yet to become apparent. However, what is clear is that while charities can try and start initiatives like the Ice Bucket Challenge and No Make-Up 'Selfie', there is no guarantee how these initiatives are going to develop. Opportunistic giving is obviously popular, with many organisations taking advantage on the charity 'selfie' craze,³² but whether it and its effects can be fully controlled is a question that remains unanswered.

One of the most important lessons to take from the Ice Bucket Challenge is that it was not invented by a charity, or an organisation. It was invented by Pete Frates and his family. How else, but in a digital, social, connected world could an individual initiate a campaign that generated millions of pounds and individual actions across the world, so quickly, so publicly and so cheaply? The Ice Bucket Challenge and the 'No Make-Up Selfie' demonstrate that an individual can compete with the biggest of charities in exciting the population into giving money to causes they care about.

This fact, alongside this Fund's support of peer-to-peer marketplaces for brokering time, money and skills to support good causes, is probably the most important message for any charity interested in getting to grips with how giving might change in the next five years.

Attention-grabbing giving will increase, but may suffer a backlash

In a world where we are increasingly bombarded with information, attention-grabbing ways of encouraging us to give (including the Ice Bucket Challenge and No Make-Up 'Selfie') can cut through this. The Tower of London poppies have demonstrated how effective art can be to encourage giving, with the Chancellor waving £1.1 million pound in VAT on their sale.³³ Cancer charity CLIC Sargent also recently launched a campaign enabling people to donate jokes which can then be shared with family and friends in order to raise sponsorship.³⁴

Sometimes attention-grabbing giving relies on shocking people into donating. Last year the Kids Company used the mobile app Vine to create a series of videos showing children in disadvantaged situations.³⁵ People who then donated money to 'make it stop' received a follow-up video showing children in happier situations. However, sometimes this side of attention-grabbing fundraising produces mixed reactions. For instance, Bob Geldof's Band Aid 30, which is raising money to help tackle Ebola, has recently been attacked for its 'shock-factor strategy.'³⁶

We will see more of collaboration between the third and private sectors

Charities are increasingly teaming up with commercial organisations, through joint fundraising initiatives that are mutually beneficial. The model is traditionally a percentage of what you pay for a product being donated to charity. For instance, Sainsbury's selling chocolate bars retailing at £1 with 50p going to the British Legion (which includes all the supermarket's profits, plus a donation from Sainsbury's).³⁷ We see there as being more opportunities for the third and private sectors to work together, not just through a percentage of profits being donated – although this is clearly one model that works – but through the exploitation of platforms and services that allow cross-sector partnerships to share resources, skills and people.

Crowdfunding will become a bigger part of charities' fundraising strategies

While some innovations in giving may come and go, based on our research elsewhere we predict that crowdfunding in particular will increase and become part of the 'mix' of fundraising options. However, whether it will increase giving or simply see the same funds channelled in a different way depends upon how it is developed.

Charities resources will continue to be stretched and collaboration will become more important

At times of austerity, we see open innovation as a route to increasing charities' impacts at no extra cost in a way that has real potential. Through sharing resources, knowledge and technology, charities could achieve greater impact. However, an understandable fear of competition is currently getting in the way of this, as are some company structures and working methods. If a way can be found for charities to pool their resources and be more open with one another, this could really help them to grow over the next five years and minimise the effects of budgets being cut. This could also include the better pooling of data and funders sharing data, as happens in innovative programmes such as threesixtygiving.com.

Message to those funding new ideas

- Supporting innovation and new ideas means giving organisations the time and space to test and evolve their work. Initial seed funding that allows them to experiment and develop their work is crucial. While running the Innovation in Giving Fund, Nesta provided many kinds of support that were non-financial. These included legal, technical, management consultancy, marketing and business support. Funders need to offer more than money if they are to maximise the chances of the idea they are backing.
- Risk is inherent if you are funding something new and untested. The benefit of proper resources for research and development (R&D) is that the risk is minimised and potential for innovation maximised. In other industries only a very small percentage of experimentation is expected to work. Some organisations and ideas will inevitably fail or need to change tack at some point, usually in their early stage of development. Others will succeed. Learning can be gained from both, but it's impossible to iron out failure without ironing out innovation itself.
- Flexibility in funding is important to allow projects to develop and adapt when testing new ideas. A project plan and milestone-based grant must allow projects to develop and 'pivot' as needed. All innovation projects will change and evolve; and a grant agreement needs to be able to accommodate this.
- Non-financial support of a number of different kinds is important for those who are testing new ideas; whether this is critical friend feedback, the raising of ambitions, or exposure to new ideas or peers. It is not enough just to give funding alone.
- Grant funding is necessary to support innovative ideas. However, increasingly funders should be structuring their financial support to drive activities and management behaviours that will support the financial sustainability of organisations. In recognition of this, and since many new and good ideas emerged from non-charitable organisations such as limited companies and social enterprises, Nesta trialled the use of grants that were, under certain conditions, repayable or convertible into equity.

Message to large charities

- Innovation depends on entrepreneurial and innovative behaviours being supported and encouraged to grow. Inherent to this is an element of risk taking. Large charities who intend to create truly innovative products and services need to embrace risk and collaboration, as well as give their staff a space and a budget to carry out new work without fear of being written off if it is not an instant success. There is a challenge around using donor funds to try 'risky' projects out – but if tried and tested ways have not worked in the past, a case for experimentation and innovation should be clearly made.
- Innovations in technology have real potential to increase both the numbers and the kinds of people giving time, money, objects or skills. Using existing platforms to quietly experiment before scaling up a programme or building your own platform is essential.
- Learning from JustGiving's Recommendation Engine and One World's 're:act' shows that targeted fundraising is another development in the digital technology sector that has the potential to allow charities to appeal more directly to donors who are interested in their causes.
- The sharing of skills, space and assets is an aspect of giving that is still underexplored. There are multiple lessons to learn from how for-profit organisations like AirBnB and TaskRabbit are creating income generating opportunities for millions of people as well as making use of previously underutilised skills and assets. The principles that underpin these ventures are wholly applicable to, and ripe for further experimentation in, the charitable sector.
- It's indisputable that many charities carry out great work, but there is also sometimes a culture of nervousness³⁸ that can get in the way of getting things done. We would encourage charities to be braver in experimenting with new innovations, testing out new ideas and finding the best ways to work and structure their organisations for the greater good.

Message to new entrants

- A lot of new organisations are working on developing online platforms to promote giving. We suggest that this area is currently saturated. What is needed are new ways of exploiting existing platforms and bringing the concepts that underpin them together.
- Many organisations are also focussed on increasing giving in younger people. This aim combined with innovations in technology feels like a strong pairing since younger people are particularly engaged in social media and online life.
- The most successful of the ventures we supported had a flexible approach, rigorously gathering evidence as to what worked and what didn't and then using this to inform how they proceeded when things didn't go according to plan. This evidence, along with a data-driven approach to developing new businesses and ideas, has proven to be effective for a number of Innovation in Giving awardees.
- Innovative and new ways of partnering with charities, in ways that share both risk and reward, can be powerful and productive. However, some new entrants who were partnering with large charities as part of the Fund's Open Innovation Programme found the differences in culture, pace and decision making to be especially challenging

Final thought: the new generation of innovators

When looking at a single idea or innovation in giving, it is all too easy to judge it as nice but niche; interesting but incidental to the wider giving landscape as it exists today. But if we step back and look at collectively what the Innovation in Giving Fund supported, it presents a profoundly radical step change in the way in which we conceptualise how, when and what people give to charity, to their communities, to social enterprises and to each other.

These tools are small, early stage, and yet very powerful. Charities are now presented with opportunities to know each and every one of their donors' habits, behaviours and biases. There are ways to target them with giving opportunities that are highly likely to appeal to them. A new wave of peer-to-peer platforms are enabling individuals, households and businesses to connect to platforms where they can readily donate, offer their time in flexible ways and give and exchange resources they never knew others were in need of. There is clearly a fresh, new generation of innovators well on their way to sustaining the engagement of the 21st-century giver - and through the Innovation in Giving Fund we have supported many in their early work to grow giving in new, innovative and impactful ways.

ENDNOTES

1. http://www.cafonline.org/pdf/1190h_partyconf_mindthegap.pdf
2. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/78915/giving-white-paper2.pdf
3. <http://www.growinggiving.org.uk/the-inquiry>
4. http://www.nesta.org.uk/sites/default/files/people_helping_people_the_future_of_public_services_wv.pdf
5. http://www.cafonline.org/pdf/1190h_partyconf_mindthegap.pdf
6. http://www.cafonline.org/pdf/1190h_partyconf_mindthegap.pdf
7. <http://www.growinggiving.org.uk/the-inquiry>
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December 2014

Nesta is a registered charity in England and Wales with company number 7706036 and charity number 1144091. Registered as a charity in Scotland number SCO42833. Registered office: 1 Plough Place, London, EC4A 1DE.

