



Telos Newsletter

Telos Research Update

As Telos moves into its fourth year, we can report some major developments since we started out in 2005.

Indeed we have been so busy that it has taken us until now to produce our second newsletter!



Rebecca Funnell, founder of Telos Research

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Throughout the past four years we have continued to provide prospect research services to clients across the arts, education, health and charity sectors including profiling of major donors, new prospect identification, trust reviews, trust profiling and corporate research.

Our portfolio of offerings has increased to incorporate peer reviews involving the interviewing of existing donors or others within or connected to a client organisation to establish their potential to network on behalf of an organisation; research reviews to assess the procedures and strategies of clients' research facilities and to provide recommendations as to how these might be optimised; and bid writing to smaller grant-making trusts for smaller charities.

Where appropriate, we have also been developing the degree to which we seek deeper understanding of our clients' projects to enable us to align our research with our clients' needs as closely as we can. As well as providing the option of analysis within our profiles of the aspects of a client's work which are most likely to appeal to each individual donor

prospect, where required we also suggest next steps and/or routes by which an introduction might best be achieved.

We are now extending this level of tailoring to offer clients with less experience of major gift fundraising a follow-up service providing advice on how to use profiles once they have been completed. We believe that this will be a valuable service helping clients to get the most out of their research.

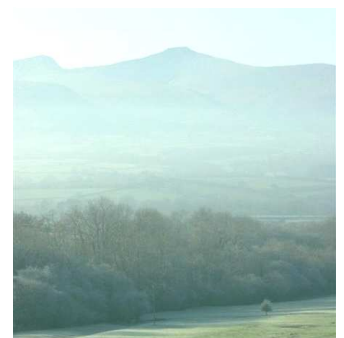
In addition to our hands-on research and consultancy offerings, we run regular prospect research workshops in collaboration with Robin Jones—see back page for details of the next event—and provide training to small groups and individuals on an ad-hoc, tailored basis.

During the year we have completed some pro bono work for small charities focusing our efforts on those working in the area of homelessness as these organisations are currently facing a higher demand for their services whilst also finding their donor income squeezed by the financial crisis.

We plan to offer some pro bono hours to smaller charities in 2010

with a focus on small charities based in Wales as we feel that the frameworks for major gift fundraising are underdeveloped within Welsh organisations as compared with the rest of the UK, so would like to concentrate our efforts in this area. We are currently discussing providing some free of charge support to an environmental initiative in Wales.

Overall, the world of major gift fundraising has seen some substantial changes since we began providing prospect research to fundraisers in 2005. The economic landscape is significantly altered, but as we discuss in our feature on page two of this newsletter, the impacts on major gift fundraising and on the non-profit sector in general have not been entirely negative.



Round the corner from the Telos Research office

A few Key Philanthropists of 2008/09

- In November 2009, the **Wood Family Trust**, the grant-maker of Sir Ian Wood and family launched a £400,000 programme to support the Youth and Philanthropy Initiative of The Institute of Philanthropy
- **The Reed Foundation** founded by Alec Reed raised £2 million for a matched giving challenge in 2008.
- Early in 2008, **Sir Tom Hunter** launched a £2 million grant programme in collaboration with Children in Need.
- In 2009 **George Soros** pledged \$50 million to establish the Institute for New Economic Thinking to develop new approaches to economic theory.
- In 2009, **Lord Sainsbury** allocated £245 million to his Gatsby Foundation.



Although shock waves rippled through the UK economy as early as 2007 and the run on Northern Rock in September of that year, the first run on a UK bank since the 1930s, was a strong indication of the depth of the crisis to come, it wasn't until the collapse of the money



markets en masse in September 2008 that the major gift fundraising world really sat up and took notice.

Faced with an inevitable dramatic drop in gift capacity coupled with increased demand for services in some areas, especially those working in the fields of poverty prevention/support of poor people, from early Autumn 2008 the fundraising community began to chart the impact of the imminent recession on charitable donations and to pool ideas for coping strategies.

As part of its response to the crisis, The Institute of Fundraising collaborated with PricewaterhouseCoopers and Charity Finance Directors' Group to produce the Managing in a Downturn survey. This initiative was launched to gauge the reaction of those at the top of the fundraising profession to the crisis and the report, published in November 2008, suggested that 75% of charity Finance Directors and Fundraising Directors anticipated a decrease in income to their charities from major donors.

By May 2009, we had seen the Centre for Economics and Business Research (CEBR) report revealing that the estimated number of UK millionaires, which had peaked at 489,000 in 2007, had dropped to approximately 242,000. This figure is not far out of step with the Sunday Times Rich List 2009 estimate that the combined wealth of those on the rich list had fallen by approximately 38% between 2007-08 and 2008-09. The CEBR also reported a 24% drop in the wealth of the average UK millionaire since 2007 and in the Cap Gemini/Merrill Lynch World Wealth Report of

2009, High Net Worth Individuals in the UK were said to have declined in numbers by 26.3%, a figure which is, incidentally, much higher than the world average of 14.9%. Given this precipitous fall in wealth levels, it seemed most unrealistic to expect major donation levels to remain constant or to continue to rise. However, moving towards the end of 2009, the picture gradually emerging of the new fundraising landscape is complex and does not indicate merely a simple deceleration of giving. Although the true impact of the recession will not become clear until the dust has settled further and experts have had more time to assess the data and more data on which to base their studies, some new trends have already been identified which seem worthy of note if we as fundraisers are to maximise on the potential for our organisations to fundraise within this new climate. One key trend which has emerged and is described in both the University of Kent Million Pound Donors

Report 2009 and in Giving in the Recession (Institute for Philanthropy 2009) is that there has been a strong shift from banking large donations to build an endowment. Now many philanthropists, including Bill Gates and Lord David Sainsbury of the Gatsby Foundation, are adopting a "spending out" approach to giving. Bill Gates explains his rationale thus: "The decision to focus all of our resources in this century underscores our optimism for making huge progress, making sure that we do as much as possible as soon as possible."

www.gatesfoundation.org/about/Pages/gates-foundation-asset-trust.aspx

Bearing in mind that, in spite of the best efforts of many philanthropists, UK charitable giving is still reported to have dropped by 11% in 2009 (UK Giving 2009), it is clear that organisations will need to work harder and smarter than ever, but the future does not look bleak.

We should remember that in November 2008, directly after the dramatic stock market falls of September and October of the same year,

A Few Tips for Fundraising in the Recession

- **Donor retention is vital:** don't forget your donor prospects just because it is not a good time to ask them for money - even those who don't feel able to give at the moment should be kept on board, which means continuing to build your relationship with them so that when times are better, you have laid the groundwork to ask for a donation.
- **Suggest ways of making donation easier for the prospect:** for example, a donor might make a donation in instalments which would otherwise be too large; a donor might temporarily decrease donation levels to fit with current means.
- **Make a strong argument for "spending out":** be clear that now is the time when you most need support.
- **Research thoroughly to be as targeted and efficient as possible.**



and the Impact of the Recession, continued

...BBC Children in Need Appeal raised almost £21 million, beating all of its own fundraising records. The London Marathon and Comic Relief also reported record-breaking years in terms of charitable fundraising.

There is also some comfort to be drawn from a report by Cheryl Chapman in Philanthropy UK on 12th November 2009, that a crisis in the funding of HIV/Aids programmes which had threatened the likelihood that commitment to global HIV targets would be met has prompted a more targeted approach

to funding these programmes to ensure that resources are focused on the areas suffering from the greatest need.

If this financial crisis forces us to focus on the most efficient procedures and the closer targeting of resources, we may even emerge from its clutches stronger, with more robust, streamlined operations.

However, perhaps the most positive note is the response of philanthropists to the crisis.

“Rather than focusing in on their own losses and turning away from the causes they have supported, we have seen a pattern of strong commitment to giving”
Children in Need Rocks the Royal Albert Hall, 2009

Rather than focusing in on their own losses and turning away from the causes they have supported, we have seen a pattern of strong commitment to giving which bodes extremely well

for the future – the individual philanthropist, whose prominence has grown significantly in the past decade, does not appear to be a fickle creature.



What's Up and What's Down

Some of the sectors worst hit by the recession; and some which profited

DOWN

- **The UK** economy was one of the worst affected globally as we had high levels of investment in high-risk ventures, so in comparison with those of many other countries, our home-based prospects are likely to be feeling the pinch. Other countries which suffered badly from the recession include the **US; Hungary; the Ukraine; Argentina; Greece; Dubai and Jamaica.**
- With the dramatic slow down of the housing market, those working in the construction industry, especially in the **house-building** sector, have suffered heavy losses.
- The **motor industry** has also seen significant losses as consumers, anxious about job security and depleted investment values, have avoided any unnecessary spending.
- Likewise retailers of most **luxury goods** and **travel services** are expected to report significantly reduced turnover for 2008-09 and therefore most company owners and Directors and investors within these fields will have sustained heavy losses.
- Most areas of the **financial services industry** and the sectors which support them, such as the **legal financial specialists** have been hit hard by the recession, with high-risk investment vehicles suffering particularly badly. An intense focus on bankers' bonuses means that as well as losing money on investments, many bankers will also be expecting a significant reduction in earnings in the future.

UP

- Countries which weathered the economic storms better include Germany; France; Australia; Canada; China; Japan; India; Poland; South Korea; and Peru. Some of these countries avoided falling into recession at all. So, certain **international prospects** are of more interest than ever before to those non-profits to which they are relevant. Given recent shock revelations about the underlying instability of Dubai's economy, clearly this is an area that needs to be closely monitored for developments.
- Many initiatives are springing up in a response to a need from those in financial difficulties to liquidate assets. So, we see the emergence of companies such as **webuyanycar.com**. In a similar vein, companies which offer to **buy any house quickly** are thriving as the number of home owners facing potential repossession burgeons.
- The hugely escalated price of **gold** bullion, which has been growing in value for the past seven years, combined with an increase in the numbers encountering financial hardship and needing to sell hard assets has provoked the emergence of numerous companies buying up people's **unwanted gold jewellery for cash. Other traders in gold** have also fared well.
- Investors specialising in **investing in failing companies** with a view to reviving their fortunes have also been faced with a wealth of opportunity.

Actor and philanthropist **Paul Newman**, one of the pioneers of venture philanthropy died in September 2008

Birmingham-based philanthropist **Elnora Ferguson** of the Allan and Nesta Ferguson Charitable Trust died in December 2008 aged 79

Lady Tumin, CBE, the campaigner for charity law reform died suddenly in 2009

Donald Fisher, co-founder of the clothing retail giant Gap and major philanthropist, died of cancer in September 2009

Prospect Research Introductory Workshop

Approximately three times each year we run a day-long Introduction to Prospect Research Workshop at Birkbeck College in Bloomsbury in collaboration with a fellow prospect researcher, Robin Jones.

We combine a series of presentation-style sessions with interactive hands-on exercises and group discussion to provide an introduction to the frameworks around prospect research. A comprehensive hand-out including a resources list is provided.

Topics covered include how to compile a prospect profile; managing prospect research; an overview of the best research sources; and estimating wealth and gift capacity for your prospects. The course is aimed at those new to prospect

research or fundraisers who find they need to conduct their own research into prospects. The next course will be on Thursday 18th March 2010. Please email or telephone Rebecca for further details and a booking form.



Telos Research

Quality tailored research for fundraisers

Telos Research provides the following services:

- **New prospect identification**
- **Prospect profiling at a depth specified by the client**
- **Prospect qualification**
- **Prospect research training**
- **Prospect research consultancy**

Please contact Rebecca Funnell to discuss any of your prospect research needs.

Phone: 01874 658636
 Mobile: 07786 704315
 E-mail: rebecca@telosresearch.com
www.telosresearch.com

Tan Y Bryn
 Tallyllyn
 Brecon
 Powys LD3 7TB

We are proud to have received the following endorsements from our clients:

"...completed all the profiles to a very high standard and on time. ..provided very valuable data for our major gifts fundraising and provided more accurate information than any other researcher. I would recommend Telos without reservation."

Seymour Kelly, Kingston University

"As part of our preparation for a major campaign, Rebecca has undertaken extensive work for the Royal Academy of Engineering to identify and qualify new major gift prospects. has delivered high quality, relevant information on realistic prospects in an easily

used form and to tight deadlines; we have been extremely impressed with her work."

Sarah Philbrick, Development Director of Royal Academy of Engineering

"We were delighted with the work carried out by Telos, which gave us the detail we required to ensure we focused attention on individuals who were likely to give us the greatest return. I would have no hesitation in recommending Telos' services."

Lorna Stoddart, Director of Development, Winchester College

"It was a pleasure working with Rebecca: stress free and straightforward. The research she did has been invaluable in taking our charitable trusts' fundraising forward." **Caroline Bartholemew, Royal Marsden Hospital**

"Working with Rebecca was an absolute pleasure. Her methodical and meticulous approach has steered the team in the right direction and we were particularly pleased with the detail and quality of her work."

Sarah Collin, Prospect Research Manager, Marie Curie Cancer Care

"We have found Rebecca's research to be excellent - thorough, very high quality and well put together. Recently we asked Rebecca to take the profiles a step further, tailoring the profiles to the client's very specific needs and suggesting how the information can be best used. She has done this brilliantly, bringing new perspectives to their major donor programmes and clearly showing us the obvious benefit of her years of experience."

Mena Gainpaulsingh, Senior Consultant, International Fundraising Consultancy