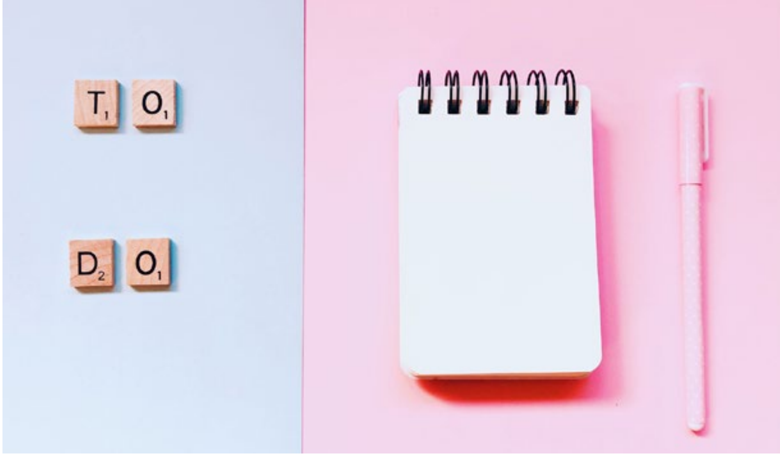
"TODAY, PHILANTHROPY ENCOMPASSES A BROAD SPECTRUM OF ACTION. PRIVATE RESOURCES ARE BOTH FINANCIAL AND NON-FINANCIAL, INCLUDING VOLUNTEERING AND ADVOCACY."



DEVELOPING TRUST: HOW PHILANTHROPY CAN SUPPORT THE WORLD'S TO-DO LIST

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The UN Sustainable Development Goals (SDGs) are the compass guiding us towards a more sustainable world. They have been called the "World's To-Do List", galvanising cooperation between governments, corporations and philanthropists. While impressive progress has been made on some of the SDG targets, others remain at risk, backsliding from progress made before the global COVID-19 pandemic.

Philanthropy cannot achieve the SDGs on its own. Financially, philanthropic gifts are but small drops in the bucket compared to government funding. However, philanthropists using their private resources – time, treasure and talent – for public purposes are essential partners in achieving social progress. Today, philanthropy encompasses a broad spectrum of action. Private resources are both financial and non-financial, including volunteering and advocacy. Financially, a range of activity comprises modern philanthropy: from grantmaking to impact investing to environmental-social-governance (ESG) screens. One of the most significant challenges facing philanthropists is not where to give their private resources but how to do so.

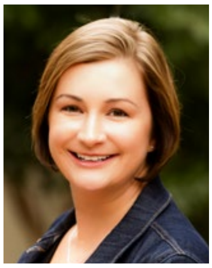
Philanthropy is also criticised for being too autonomous and without democratic accountability. Wielding great power and responsibility, philanthropists can make decisions independently, and they are not elected to their philanthropic positions. As philanthropic advisors, we have an opportunity to connect our philanthropists with the World's To-Do List and to help shape how the distribution of private resources occurs. Making progress against the SDGs requires a trust-based approach.

TRUST-BASED PHILANTHROPY FOR SDG PROGRESS

Over the past few years, amidst the polarisation of politics, the disparity of social justice and a global health pandemic, trust-based philanthropy approaches have gained interest across charities and philanthropists. At the heart of these approaches is the desire to address the power dynamics ingrained within philanthropic giving. One example of these efforts is the Trust-Based Philanthropy Project (US). This project has articulated six key principles for philanthropists putting trust-based philanthropy into action:

1. Give multi-year unrestricted funding
2. Do the homework
3. Simplify and streamline paperwork
4. Be transparent and responsive
5. Solicit and act on feedback
6. Offer support beyond the cheque

These six key principles offer a laudable and practical framework for making philanthropic gifts under a trust-based banner. These principles inspired the Council on Foundations (US) to launch the COVID-19 Pledge, asking funders to take actions, including providing flexibility to their grantee partners, reducing reporting requirements and listening to partners. Nearly 800 signatories have joined this pledge to date. Through these principles, philanthropists signal a willingness to act in a trust-based manner and use these actions to consider their power and their responsibility.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However, these trust-based suggestions are not new. For many years, nonprofit organisations have advocated for similar actions from their philanthropist donors – flexible funding, operating grants, long-term commitments, less bureaucracy. Previous terms, such as grassroots philanthropy, engaged philanthropy, and venture philanthropy, have included actions such as those listed above. The implementation of all or any of these actions could signal the development of trust. However, these principals are not trust in and of themselves; they are proxies for trust.

The challenge with proxies is that the actions may not be sustainable over time if genuine trust-building activities have not been undertaken. Some research suggests that engaged approaches might start out looking like trust, using terms such as partnership and collaboration, only to devolve into micro-managing and over-involvement. Likewise, traditional philanthropic cheque-writing might signal some of the most trust-worthy activity. Mackenzie Bezos' 2020 giving of over US$6 billion in "unsolicited and unexpected gifts given with full trust and no strings attached" left the philanthropic field stunned by its apparent simplicity.

THE ADVISOR'S ROLE: LINKING TRUST-BASED ACTIONS TO TRUST-BASED MOTIVATION

Philanthropy has always required trust. The giving of private resources requires trust to let go of these resources. Even the term, trust, is used to describe the charitable giving vehicle in many jurisdictions. Advisors have a crucial role to play between donors and the nonprofit sector – this role is more than just funneling money from one place to another. Advisors are responsible for both helping donors make their gifts and listening to what the field needs.

German philanthropist Ise Bosch comments upon this responsibility in her transformative philanthropy approach. Donors need to develop relational capacities, engage on personal levels, seek personal exposure and be transformed. In her book, *Transformative Philanthropy*, she advocates this transformational approach as "transforming power relationships" where the donor is part of the transformation. Advisors sit between the power and responsibility of donors and the implementation of philanthropic giving.

Making progress against the SDGs, the advisors' role is more critical, more active than ever. The nonprofit sector has shared the trust-based actions they would like donors to take. Advisors can support the longevity of proposed trust-based actions by engaging donors in exploring their trust-based motivations:

- How do you build trust within your company? Within your family? With peers? With the public?
- Where have you been successful at building trust?
- Have you ever felt that another person or organisation did not trust you? How did that feel, and how did you negotiate that relationship?
- What are your expectations for building trust with another person or organisation? Are these expectations different for charities compared to for-profit businesses? If so, why might that be?
- What additional information do you need that would help build your trust for your philanthropic giving?

Trust is built through a looping and cyclical process – with each positive action, trust builds incrementally over time. Expectations, risk and vulnerability must each be addressed within the trust-building process. Whether ambitious or modest in their philanthropic goals, advisors can help donors initiate and sustain the trust-building process. The responsibility of the advisor is trust management, not only Trust management. From this perspective, trust-based philanthropy supports both social change and donor transformation.

As advisors, we must interrogate contemporary philanthropic trends, the phrases we use with our clients and the giving frameworks we provide. Previous concepts or approaches can be rebottled or seen from new perspectives. New generations of donors want to feel connected to the newest research and the latest styles of giving. However, we must also be cautious of terminology painting one style of philanthropy as trust-based by following a particular action set, allowing other styles to be categorised as non-trust-based inadvertently. Solving the World's To-Do List requires a deep and sustained practice of trust-building. Trust is not just a tactic; it is a personal value and motivation. Advisors can ensure that motivations meet with actions offering a holistic trust-based philanthropy approach.

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