

'We are a very giving nation'



Steve Kilgallon
The Sunday Profile

Many charities are jostling for our dollars, but Mark Bentley offers a different approach to philanthropy – and you don't need to be mega-rich.

THERE ARE about 25,000 charities in New Zealand: one for every 172 of us, one of the highest rates in the western world. You could interpret the statistic as a heartwarming indication of a national generosity, or a hopelessly inefficient and ineffective way to give money.

Mark Bentley sees both angles, but says there's a better way. "With a lot of giving, at the moment, there's a lot of head, and not a lot of head in it," he reckons. "But we can do head, and head."

Bentley is chief executive of the Auckland Communities Foundation, which runs 14 charitable funds over about \$500,000 of capital, and a goal of \$100 million by 2040. Among its backers are Auckland mayor Len Brown and his wife Shan Inglis, cereal magnate Dick Hubbard and infrastructure rich-lister John Hynds.

The community foundation movement began almost a century ago in Ohio when banker Frederick Harris Goff formed the Cleveland Foundation to reform the city's health, education and parkland.

The initiative remained a

mainly North American concept until the past decade, when its numbers doubled. Now most major cities around the world are involved and the movement is particularly gaining ground in England. There are 12 in New Zealand, and the fastest-growing is the Acorn Foundation in Tauranga. Worldwide, community foundations manage \$54 billion in funds.

But what are they? "Some people call it a dating agency," says Bentley, who also refers to himself as "a bit like a broker". Imagine you're a rich BOY trying to donate some funds wisely. You can instruct a community foundation to research suitable causes, present project proposals, and even manage a contestable funding process before handing over the dough.

The foundation sees themselves as a "value-add", looking after all the administration, the taxation, running the grant process, offering research and investment management (so the interest on lump sums can be granted) and evaluating each project to ensure the money is spent wisely, while also running research to discover

which worthy causes deserve support.

That number of charities, Bentley argues, leaves the average donor confused and keeps their wallet closed. "It is a staggering number," he says. "How do you know who is doing good work, how do you know money is being well-used?"

"The market for us is all those mid-range people, reasonably well off, who are generous but don't

'We have big-hearted people who want to make a difference: our job is to get them flying in formation.'

know how to do it well. Think about all the reasons why you wouldn't give: they are not really about being miserly, they are often around knowing what will make the most impact, if you've chosen the right charity, how to do all the paperwork. The market is every New Zealand business and probably 50% of the New Zealand population."

He says this because the mega-rich have usually sorted out their giving: Warehouse founder



MARK BENTLEY

Born: Bradford, northern England
Lives: Tīrangī, Auckland
Family: Married, two children
Career: Marketing for a British satellite TV channel; marketing for Huddersfield College and Manchester University; marketing for Auckland Business School and Leadership Institute; CEO at Auckland Communities Foundation since 2010.

executive Jenny Gill's definition of the sector as the "venture capital of social change", and adds his own tag: "It's the R and D of society." Thus the early adopters have been the self-made men, prepared to take a punt to gain the best return, whether in business or in giving. Men like Hubbard.

The former Auckland mayor says he's been interested in the principles and growth of community trusts, but until now, hasn't had the money to get involved. "Growing a manufacturing company takes a lot of reinvestment, and we felt every dollar invested in Hubbard Foods could one day be \$2 for the

community... but I am 65, and it's not appropriate to use the reinvestment argument forever," he says. "I'm fairly careful with what I do attach my name to, but this made a lot of sense, and seemed the way of the future."

AS AN example of how the foundation matches donors, John Hynds helps bright but disadvantaged students at his old school, Manurewa High, gain university places or start trade courses. He also has a more general interest in early childhood education and allows the foundation to research projects worthy of his support. There are also specific funds for the Hobsonville and Waitakere communities, for poverty alleviation, and one called Generosity through Anonymity. A general fund lets the foundation help projects that donors do not specifically want to fund.

The latest initiative is the (Auckland) Mayores' Fund for Youth, to be launched with a Masquerade Ball on November 13, which will focus on "transitions" – from school to further education, or work, to stop people falling through the gaps. Auckland mayoress Shan Inglis says she chose the community foundation because it was a way of creating something that would survive beyond her husband's political career, and a "vehicle that would enable us to have a fund that could focus on projects Auckland-wide: this looked a model that could meet our needs."

But the big splash for the Auckland Communities Foundation came when it produced *Macro Auckland*, a detailed study of Auckland's social issues which particularly highlights the deepening inequality between rich and poor, but also worthy projects trying to close that gap.

"We do seem to have this divergence between the haves and the have-nots in New Zealand," says Bentley, who is relentlessly enthusiastic, even when contemplating the worst.

"There are a heap of stats that are pretty sobering for us – we have the highest levels of youth morbidity in the OECD, the highest cannabis use in the 15-plus age group – there are lots of major issues. But at the same time, lots of passionate people who want to do a lot about it. We are a very giving nation."

Bentley is a genial Englishman with a background in marketing at Manchester and Auckland universities and has been in New Zealand a decade (seduced by the place when he visited for his sister-in-law's wedding). He spends much of his working week "pitching" – direct approaches to individuals, usually on the recommendations of professional advisers, and hitting up businesses. Many of the latter, he says, may have a sound environmental strategy, but their charitable policy often extends only as far as saying yes to the most persistent callers. Unlike "chuggers" (paid street fundraisers) and tin-jangling collectors, he reports a reasonable return.

There's also a move into family trusts (given growing recognition worldwide that simply handing

Doing good: Mark Bentley and Auckland mayoress Shan Inglis.

Photos: Phil Doyle



on extreme wealth to the next generation has disadvantages), and bequests (which is where Acorn, founded in 2003 by Tauranga lawyer Bill Holland, has managed to grow to \$4m in invested funds and this year dispense grants of \$240,000).

"It future-proofs you," explains Bentley. "What if you left all your money to a cancer charity and they crack cancer?" Having just undertaken a 2500km motorbike ride across the Himalayas on a 1952 Enfield, Hubbard isn't thinking about bequests yet, but he does take the long view. "I think in 20 to 30 years, Auckland will be very grateful for the long-term approach that's being taken, we will have an organisation that will be making a very significant impact on the city."

THE MOST successful community foundation in this corner of the world, in Melbourne, was based in the chairman's back bedroom for the first four years. Despite now having 160 funds and \$35m under management and a new name (Australian Communities Foundation), it still employs just 4.3 staff.

"It is efficient: the alternative is 160 trusts, with 160 administrators, 160 audits, 160 registrations to the charity commission, with none of them big enough to take advantage of pooling capital to get decent results or do the kind of research we can," says Bentley. "It's both inefficiency and ineffectiveness."

In Auckland, despite those ambitious growth plans, just 1.5 staff are directly employed, Bentley representing 0.8 – a deliberately lean model.

In contrast, some mainstream charities spend up to 30% of income on overheads.

Hubbard says he can foresee "rationalisation" in the not-for-profit sector, especially in areas where charities are in near-direct competition, such as medical research: "In a nation of four million people, we do fragment too much." He predicts the charitable focus on rebuilding Christchurch could force the pace of that rationalisation.

Bentley, with a smile, sidesteps any direct criticism of regular charities, but admits: "I think we've got too many, but I am reluctant to make a headline. I don't want to get into the charity-bashing space (because some are very good) but there is a long tail... it seems like whoever anyone gets excited by an idea or has something that affects a family member, their natural instinct seems to be to start a charity rather than look for someone (already existing) to support."

"The positive is we have hugely motivated, big-hearted people who want to make a difference: our job is to get them flying in formation."

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