Chain Links:

The role of mayors in building a culture of civic philanthropy

July 2017
1) **Introduction**

Philanthropy has played a huge role in the development of many towns and cities in the UK (and, indeed, elsewhere). As industries have developed and fortunes been made, many wealthy individuals have felt compelled to give back to the places that made their success possible, and have became inextricably linked with them as a result. We can see this all around us in the rich legacy of civic buildings and institutions that still exist in many places, and often bear the names of these great philanthropists of the past.

Yet many of our towns and cities have suffered a downturn in their fortunes over a long period, as the traditional industries that accounted for their growth have gradually declined and disappeared. In the UK since the Second World War, the former industrial powerhouses of the North of England and the Midlands, in particular, have struggled as the economy has become ever more skewed towards London and the South East, resulting in a widely-recognised North-South divide.¹ And as these towns and cities have declined, so too has the tradition of civic philanthropy that was once so prominent.

Many cities have faced up to the challenge and sought ways to reinvent themselves so that they can succeed in today's world and be sustainable for the future. Often this means finding ways to transition from a reliance on traditional manufacturing and heavy industry towards new creative and knowledge-based industries. Some places, such and Manchester, Leeds and Swindon have done this very effectively, and as a result have seen a sharp upturn in their fortunes and a transformation in their identities as cities.² Yet even in these cases, the upturn in economic fortunes has not been automatically accompanied by a renewed culture of civic philanthropy.

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² These are among the example of cities categorised as “Reinventors” by Centre for Cities i.e. cities that have moved from a historical employment base of lowknowledge work to one of higher-knowledge work. Swinney, P. & Thomas, E. (2015) *A Century of Cities: Urban economic change since 1911*. London: Centre for Cities.
So what can we do to overcome this problem? How can we ensure that, as we seek to reinvigorate our towns and cities and make them more successful and sustainable, the development of a vibrant, modern culture of civic philanthropy which rivals that seen in former times (but does not necessary replicate it) is an integral part of our thinking? This is the question at the heart of CAF’s Giving for the City project. We will explore many aspects of the role that philanthropy can play in revitalising towns and cities and positioning them for the challenges of the future. In this first discussion paper, we are focussing on a narrow, pragmatic question: what role can local mayors play in developing a culture of civic philanthropy?

The challenges facing urban areas – particularly former industrial regions – have been part of the political agenda for some time now. Successive UK governments have sought to find ways to bridge the country’s North-South divide and reinvigorate its towns and cities. Recently, much of the activity in this area has focused on devolution: giving local areas greater powers over policy and spending so that they can determine their own futures. The latest example of this devolution trend has been the introduction of directly elected mayors in a number of city regions around the UK for the first time.³

There has long been a close relationship between the role of local mayors and that of civic philanthropists. This is unsurprising given that both are seeking to improve the social and cultural life of the towns and cities in which they live and work—the former through public service and the latter by putting private wealth to work for the public good. In some cases, they are even the same people: there is a rich tradition of mayors who are themselves notable philanthropists, as we shall see. In most cases, however, whilst the mayor themselves is not a major donor, they can play an enormously important role by having a clear vision for the role that philanthropy can play and by implementing dedicated strategies to encourage giving in support of their civic region.⁴

⁴ As we have argued previously in the context of the UK metro mayor elections; Davies, R. (2017a) “Where is philanthropy in the devolution discussion?” Civil Society, 13th March, and Davies, R. (2017b) “There is more than one ‘devolution debate’ around philanthropy”, Civil Society, 12th April.
2) Philanthropist Mayors

As already mentioned, there have been many notable mayors who were also significant philanthropists. The archetype of the “philanthropist mayor” is Dick Whittington (that’s right: he of cat and “turn again Whittington” fame). Before entering folklore Richard Whittington (c. 1350-1423) was a real-life cloth merchant (or “mercer”) who was elected Mayor of London four times in the early part of the 15th century.

His fame was cemented upon his death when, lacking any heirs, he left his considerable fortune to be used for the benefit of the city. This money was used, among other things, to create an almshouse for the poor, to establish a library and to fund improvements to the city’s water supply.5 The original charity established in 1424 with Whittington’s bequest survives to this day, managed by the Mercer’s Company (the largest of the many livery companies still operating in the City of London), and still caters to the needs of the poor in London and Essex through grantmaking and the running of two almshouse communities.6

The tradition of philanthropist mayors continued as philanthropy developed into its modern form. During the golden age of Victorian philanthropy in the UK, there were many figures who combined the role of mayor with prominent philanthropic activities.

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6 For further information see the Annual Trustees’ Report and Financial Statements 2016 of the Charity of Sir Richard Whittington.
1) **Derby – Joseph Strutt (1765-1844):** A cloth mill owner, Strutt was also a radical social reformer who served two terms as mayor of Derby. His most notable philanthropic act was the creation of the Derby Arboretum; an open public space that would benefit his employees, as well as other residents of the city.\(^7\) This is generally acknowledged to be the first public park in Britain, and also a direct source of inspiration for New York’s Central Park.\(^8\)

2) **Liverpool – Andrew Barclay Walker (18240-1893):** The owner of the Walkers of Warrington brewery, Barclay Walker was a noted Liverpool businessman and philanthropist who also served a number of terms as mayor. His most notable legacy is the Walker Art Gallery, which he built at his own expense and gifted to the city at the end of his last term as mayor, but he also contributed generously to other institutions including the University of Liverpool.\(^9\)

3) **Exeter – William Reed (1850-1923):** A mill owner born in Bodmin, Reed was also the proprietor of the Express and Echo and Western Times newspaper and served as Mayor of Exeter. He gave to many causes in the area, most notably donating Streatham Hall and grounds to the University of Exeter, which turned it into a hall of residence and renamed it in his honour.\(^10\)

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\(^7\) [Derby Arboretum website page on Joseph Strutt](https://archive.is/268369), archived and accessed via The Internet Archive’s Wayback Machine.


\(^9\) It is worth noting that Barclay Walker is a somewhat controversial character; many contemporary critics saw his philanthropy and his mayoralty as nakedly cynical attempts to further his own business interests by giving him leverage to overcome the prevailing tide of temperance that threatened the brewing industry. (See e.g. Moore, J. (2004) *The Art of philanthropy? The formation and development of the Walker Art Gallery in Liverpool. Museum and Society, Jul 2004, 2(2) 68-83*). However there is no doubt that, whatever his motivation, Barclay Walker left a substantial philanthropic legacy.

\(^10\) The University of Exeter, [The Philanthropists who shaped Exeter: 1855-1955](https://www.exeter.ac.uk/library/services/digitalcollections/philanthropists/), webpage.
4) **Canterbury – Henry Hart (1833-1921):** A Jewish businessman and entrepreneur who established a string of businesses in Kent, Hart was a lifelong philanthropist and civic leader who served three times as Mayor of Canterbury, as well as holding myriad other public roles.\(^\text{11}\)

Although the model of the philanthropist mayor may not be as common as it was during the Victorian era, when the lines between philanthropy and public provision were far more blurred, it does still exist. The most notable modern example is Michael Bloomberg, the billionaire US businessman and philanthropist who served three terms as Mayor of New York between 2002 and 2013. Bloomberg actively used his own philanthropy as a tool while in office (for instance, by underwriting the controversial Rikers Island social impact bond - a project that led to some controversy due to its apparent failure to deliver results).\(^\text{12}\) He also sought to leverage the philanthropy of New York’s many other wealthy inhabitants for the good of the city. He established the Mayor’s Fund to Advance New York City, a charitable fund designed to allow individuals and companies to contribute to programs that also meet mayoral priorities, which raised more than $400m during Bloomberg’s time in office, and has continued to play an important role in bringing together public, private and philanthropic capital under his successor Bill de Blasio.\(^\text{13}\)

Despite his own vast wealth and personal commitment to philanthropy, Bloomberg has always been very clear that it cannot replace public spending. As he puts it, “All the billionaires added together are, as they’d say, bupkis compared to the amount of money that government spends... It’s trillions of dollars. Private philanthropy can’t do that.”\(^\text{14}\) This is an important point when it comes to crafting a narrative about the role of civic philanthropy. It is not just that any suggestion philanthropy can or should replace public spending is likely to meet with resistance from those who see it as a reflection of an ideological position regarding

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\(^{13}\) The Mayor’s Fund to Advance New York City (2016) *Annual Report 2016*.

the role of the state; it also does not fit with the facts as they stand. Neither the profile nor the scale of philanthropic giving comes close to matching that of public spending.¹⁵

Given this, it is crucial to have a clear sense of what meaningful role philanthropy can play. Bloomberg’s argument, which chimes with that of many others, is that philanthropy can be a powerful catalyst for changing the way that government operates at all levels. As he says, “philanthropists should focus on areas where they can test an idea and then, armed with results, get government money to turn the idea into a program.”¹⁶ Bloomberg has also remained positive about the wider role that mayors can play in driving innovation and social change. Since 2012 Bloomberg Philanthropies has been running the Mayors Challenge—an annual prize (now global) designed to reward “local leaders to think creatively, test new approaches, and identify groundbreaking new innovations in any policy area.”¹⁷ Whilst this is not limited to ideas linked to philanthropy, it represents yet another way in which mayors can harness the power of philanthropy. In 2017, Bloomberg announced that he was significantly increasing his support for mayors in the US—pledging an additional $200 million.¹⁸

While the image of the philanthropist mayor is a compelling one, clearly not all mayors can be major philanthropists in their own right. Apart from anything else, independent wealth should not be a prerequisite for public office. However, a Mayor need not be a major donor in order to be a powerful and effective advocate for philanthropy. There are many other tools and techniques available to them, some of which we turn to now.

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¹⁵ To illustrate this point, total individual giving in the UK in 2016 was £9.7 billion (CAF UK Giving 2017), whilst UK Government Total Managed Expenditure for 2013-14 was £753bn (https://fullfact.org/economy/therough-scale-of-government-spending/). The top three charitable causes were Religion, International Development and medical research, while the top three public spending areas were welfare, health and education.


¹⁷ https://www.bloomberg.org/program/government-innovation/mayors-challenge/#overview

3) Mayor’s Funds

We have already seen that the establishment of a Mayor’s Fund was an important element of Michael Bloomberg’s strategy to harness philanthropy for the benefit of the City of New York. The success of this approach has led to the creation of similar funds in other cities (e.g. Los Angeles),\(^{19}\) and the transformation or consolidation of existing charitable funds into mayoral funds in others (e.g. Philadelphia).\(^{20}\) Some commentators have noted, however, that in general other US cities have been slower to adopt the model than might perhaps have been predicted.\(^{21}\)

The Mayor’s Fund model has also started to take off in the UK, perhaps as a reflection of the recent shift towards making the role of mayor a political rather than primarily symbolic one (notably through the introduction of directly-elected mayors, firstly in London in 2000 and more recently in a number of other regions across the UK as part of wider devolution deals).\(^{22}\) The Mayor’s Fund for London was launched in 2009 with a focus on improving the life chances of children and young people from disadvantaged backgrounds, and currently distributes grants of around £3.5 million per year.\(^{23}\) In 2017 the first directly-elected Mayor of the Greater Manchester city region, Andy Burnham, announced that one of his first acts upon taking office would be to establish a new Mayoral Fund to tackle the problem of homelessness in the area.\(^{24}\) A fundraising appeal resulted in half of the initial £100,000 target being raised within just over a month.\(^{25}\)

Despite these promising early signs, UK Mayor’s Funds are not currently operating at a scale that is remotely comparable to their US counterparts (which may not be that surprising given

\(^{20}\) http://www.mayorsfundphil.org/about/our-history/
\(^{22}\) https://www.local.gov.uk/topics/devolution/directly-elected-mayors
\(^{23}\) For more, see Charity Commission details on Mayor’s Fund for London
\(^{24}\) Sharman, A. (2017) “New Manchester mayor sets up community foundation”, Civil Society, 10\(^{th}\) May.
the relative scale of the cities in question). Those that have been set up so far also seem to be quite narrow in focus, focusing on specific social causes or beneficiary groups and looking to direct more funding to them, rather than acting as a focal point for a wider strategic attempt to bring public, private and philanthropic money together to address shared objectives.

In those places where there are existing cause-specific funds, there are opportunities to build on these early initiatives and develop broader place-based mayor’s funds. In other places, new mayoral funds can be launched as part of an overall strategy for developing civic philanthropy. It is important in either scenario that decisions are firmly rooted in the needs of the local area and the reality of the local donor base, so that an effective and responsive approach can be developed. Mayors should explore partnerships with existing intermediaries such as community foundations,26 who can help them not only in terms of the practical aspects of establishing and running a charitable fund, but also in terms of understanding and engaging with local charities and donors.

26 http://www.ukcommunityfoundations.org/ CAF also provides many of the same intermediary services at a national and international level.
4) Leveraging Philanthropic Funding

The role of a mayor, as the identifiable figurehead of a city, brings with it a huge amount of soft power. This is true even when the actual policy and spending powers of the role are in fact limited. One way mayors can take advantage of this soft power is by leveraging philanthropic funding from other sources. This might be by playing a convening or connecting role, or it might be as a funder alongside others. For example, the Mayor’s Fund for Philadelphia announced in 2016 that it was launching a new project alongside SouthWest Airlines and a number of other funders to transform Philadelphia’s City Hall courtyard into a vibrant new civic space. In London, Mayor Sadiq Khan announced in May 2017 a new partnership between his office, Trust for London and Unbound Philanthropy aiming to promote citizenship and identity in the city. The initiative centres on bringing together independent funders to address shared goals around these issues, but also includes a pledge from City Hall to match their investments.

Some mayoral strategies to leverage philanthropic funding have proven more controversial. For instance in the city of Kalamazoo, Michigan in 2016, Mayor Bobby Hopewell reached out for help to two local philanthropists, William Johnston and William Parfet, who subsequently pledged $70m over three years to help the city. What has proven controversial is that the money is not going towards a public building or similar institution, but rather is being used directly to address the city’s budget deficit and to reduce property taxes for its citizens. The use of philanthropic money to subsidise things that are so clearly the responsibility of the public sector raises a whole host of difficult questions about the appropriate role of philanthropy in a civic context. This is an issue that has been felt even more keenly in the case of Detroit, which filed for bankruptcy and then sought the help of a group of nine charitable foundations to cover public pension liabilities and other costs, which generated a great deal of controversy.

30 Jones, A. (2016) “If only someone could write a check: How Kalamazoo landed $70M”, Michigan Live, 30th July
5) *Philanthropy Liaisons*

Whilst the office of Mayor can offer a unique opportunity to exert soft power by implementing a philanthropy strategy, it may need dedicated structures in place to make this work. One possibility, as we have already seen, is to establish a Mayor’s Fund as a vehicle for accepting donations towards civic priorities and co-funding alongside partners from other sectors. Another approach taken by some Mayors is to establish a dedicated office of ‘philanthropic liaison’ or ‘strategic partnerships’ which can take on responsibility for developing and maintaining links with donors, grantmakers and charitable organisations.

As an example, the former Mayor of Newark, New Jersey, Cory Booker, created the Office of the Newark Philanthropic Liaison in 2007 to “harness interest, foster greater effectiveness and attract resources toward policy and programmatic areas that affect Newark’s residents.”

This was modelled on a similar approach used at a State level in Michigan, where the Governor at the time, Democrat Jennifer Granholm, introduced a “Governor’s Office of Foundation Liaison” in 2003. There are now similar philanthropic liaison roles in Detroit, Denver and Los Angeles. In some cases, the main drive for creating the position comes from the mayoral side (e.g. in Newark, Detroit and Denver), while in others it comes from the non-profit side (most likely grantmaking foundations, as in the case of Michigan and Los Angeles).

A 2013 evaluation of the state-level liaison role in Michigan found that the organisation was “an important factor in fostering collaboration between and among foundations and government agencies,” that those collaborations had resulted in “significant joint investments” and that staff in the liaison office were “uniformly respected for their knowledge

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32 https://www.cnjg.org/newarkliaison
33 https://www.michiganfoundations.org/ofj
36 http://www.dogoodla.org/office-strategic-partnerships-city-los-angeles
of both sectors and their facilitation skills.” A separate 2012 report highlighted the fact that the Michigan philanthropy liaison office had brokered more than $100 million and that 87 per cent of government and foundation leaders surveyed in 2010 agreed that the office had increased government-philanthropic partnerships in the state.  

In terms of the long history of the relationship between mayoralty and philanthropy, the idea of a philanthropic liaison is still relatively new. However, in this age of dwindling public resources and ever more pressing social and environmental problems facing our towns and cities, the model may offer a way of putting the relationship on a more structured footing, and thereby bringing together public and philanthropic more effectively to address shared challenges.

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39 Ferris & Williams, (2012).
6) Conclusion

The introduction of directly-elected mayors in the UK offers a real opportunity to kick-start a new culture of civic philanthropy. By making a clear case for the value and importance of giving in a local context and by putting in place the right strategies and structures, mayors could encourage and enable donors at all levels to work alongside government and the private sector to address the challenges facing their local area. This will also help to position our towns and cities to grasp the opportunities on offer in the changing political, economic and technological landscape of the coming decades.

There are many compelling historical and international examples that point to ways in which mayors can harness the soft power that comes with their role as the figurehead of a local area in order to drive philanthropy. We have highlighted some of these in this discussion paper. We will explore the wider question of the role that philanthropy can play in our towns and cities in a forthcoming report, and we will make recommendations there for how we can build a strong culture of civic philanthropy. In terms of what mayors can do, we suggest they consider the following:

1) **Develop a clear narrative about the role of philanthropy** and a vision for a culture of modern civic philanthropy in their town, city or region.

2) **Take a convening role** by using the profile and status of the mayoralty to bring together public sector bodies, companies, charities, foundations and local philanthropists to identify shared goals and to encourage partnership and consolidation where possible.

3) **Establish a mayor’s fund** as a charitable vehicle that can attract donations, leverage philanthropy from other sources and be used to address challenges facing the local area. Consider partnering with existing intermediaries to reduce
administrative costs and to ensure that the fund is as effective and responsive as possible.

4) **Appoint a philanthropy liaison** to focus on developing relationships with the donor, funder and charity communities and finding and coordinating opportunities for partnerships based around shared priorities for the local area.

5) **Publish a philanthropy strategy** that outlines the narrative and details the approach the Mayor and their office are going to take to developing civic philanthropy.

If you have any thoughts or feedback on this discussion paper, or would like more information on the Giving for the City project, please contact the author:

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- Caricature of Sir Andrew Barclay Walker, Liborio Prospieri (aka “Lib”) for Vanity Fair, (1890). Image taken from the City College of New York Art Collection on Flickr.com. Made available under a Creative Commons Attribution Non-Commercial No Derivs 2.0 generic licence.

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- Photograph of William Henry Reed, (1906). Photograph taken from exetermemories.co.uk, courtesy of the Westcountry Studies library. http://www.exetermemories.co.uk/em/exetersmayors.php

- Photograph of Henry Hart. Reproduced in Canterbury Times, 16th December 2015