The Things Non Profits Should Consider Before Jumping Into Web3 with **Save The Children UK**

An interview with **Linda McBain, Chief Digital Officer at Save the Children UK**

Tell us a bit about your role at Save the Children UK?

I'm currently Chief Digital Officer at Save the Children UK. I'm leading on the Digital and Data strategy to support our current organisational strategy, 2022-24. I work across the organisation and wider global movement to accelerate our use of digital and data to deliver increased impact for children.

I've worked in digital for 15 years in the digital marketing space, Web 1, Web 2 and now Web 3. Save the Children were the first charity to take a crypto currency donation back in 2013. It was in response to Typhoon Haiyan and my colleagues in the Save the Children US team, who were very involved with the gaming community, were offered a crypto donation and that became our entry in to web3 (though it of course wasn't known as that then!)

Last year (2021) Save US took more than $5million in crypto donations. This was made possible through proactive marketing to the community and working with Giving Block, all championed by Ettore Rossetti the Lead Advisor, Digital, Marketing, Innovation at Save the Children.

The US team are now working with other Save the Children members (We are a global membership organisation, made up of Save the Children International and 30 national members), to look at the opportunities in their countries, and share their expertise. In the UK market we are looking into the policies and processes we would need in place to accept cryptocurrency and NFTs. Following the Ukraine crisis earlier this year we started to see a lot of proactive crypto donation offers through our philanthropy team in the UK. This became the trigger to invest time in formalising an approach for us.

How did you get into Web 3/Blockchain?

At Save the Children UK we started to think about blockchain about 5 years ago, keeping an eye on the landscape, but at that point it wasn't considered a priority (beyond the work the US were doing). At the start of 2022, we started to look into it in more detail.

I initially learnt from the experiences Save the Children US had and then started to personally research the wider web3 landscape.

I read Alex Gladstein's book _Check Your Financial Privilege_ which I would highly recommend. This was for me the lightbulb moment. He is the Chief Strategy Officer at Human Rights Foundation. He brings the space to life in a way that I hadn't really considered, and why there is quite a negative view in the financial system and why those benefiting from our current financial system might be terrified of cryptocurrency taking off. It clearly shows how crypto could be so valuable in unlocking opportunity for people living in poverty and really help to create more equality in society. It really demystifies the space.

What first made you think about the potential for web3 and the charity sector to cross over?

I think that Gartner's Hype Cycle – the model it represents, is helpful when thinking about new technology trends. The 'peak of inflated expectations', 'trough of disillusionment', and then the 'plateau of productivity' – you can see it happen with every single technology trend.
I believe web3 is going through this cycle, and in fact Gartner have created a specific cycle for blockchain and web3. Where will it settle as something that is going to unlock value and have opportunity?

Now is a time to get a bit more clarity for charities about where the opportunities are.

Before it felt a bit early to be investing loads of time in. We're still struggling with Web 1 in the sector, we really struggle with Web 2 and now we've got Web 3 coming and we're really not equipped!
I still think there is a question as to when charities should invest a lot of time and money in exploring Web3. We wouldn't necessarily be going so full in if it wasn't for the experience of our US team and our experience off the back of the Ukraine Appeal. People were actively coming to us, people were running NFT campaigns with our brand on it, so we had to respond. Are we happy for them to have our brand on it? 'Charity washing' is something we need to be mindful of with any online activities, including NFT charity sales. How do we protect ourselves from that in a currently unregulated space? For us, it's also about managing risk in these areas as well as proactively seeing opportunity.

What are the challenges to working in Crypto philanthropy?

Crypto donations by their nature are often anonymous. This immediately changes the donor relationship and our usual approaches to stewardship. We may not receive any donor data, even if we do ask for it. That means you need to engage donors where they are, inspiring them to actively support your cause and ensure that when they want to donate you are their first choice.

That is much more in line with charity engagement of supporters via social. Donors who were following you online, didn't want to give their email address but might donate via platforms such as Facebook. A digitally native relationship.

Given Save the Children's 9 years of experience in this space, what do you wish charity people understood about Web 3?

To set up robust, long term infrastructure takes a lot of thought and a lot more work than you might recognise in the beginning.
There's a lot more to it than getting a wallet, getting an exchange and putting it on the website. And that's what I naively thought in January! But then I started thinking about the legal and regulatory implications in a rapidly changing space and realised there is more thinking needed up front before getting going.

Very few people understand Web3 within charities, so we want to make sure we put something in place that helps our fundraisers. To give them the security of knowing it's been set up properly, and they can then go out and talk to donors about it or understand when they see that someone is running an NFT campaign, they know what the steps are to make sure that it is supported effectively. All of this is a lot of work - you can't do it quickly, or without input from legal and finance teams.
Every charity will make different decisions - some will think some cryptocurrencies are fine, some won't, will they happily accept anonymous donations?

There are certain regulatory considerations in the UK which differ from fundraising in the US and other markets.

The charity commission are currently considering whether they need to provide more formal guidance, with some thoughts recently set out in this blog. All these things take judgement, thought and time.

"We have been really open with our board that we're learning."

Would you encourage charities to explore web3?

I really want to say yes, but if you're a very small charity where you're facing a cost of living crisis and you're struggling to retain donors, I think you need to think very carefully about what your priorities are and what is going to shore you up for what might be a challenging period and be realistic about it.

That said, if you have talented staff who are passionate about finding out more, make time for them to have a continuous learning approach to development and give them space to be able to do some of that in their day. Don't pack their day so full they can't look outside and assess what's going to happen in the future.

How would you convince charity boards to care about crypto?

We have been really open with our board that we're learning. We've said, we think this is really interesting, we've seen all this success in the US, but we are aware of all these risks. Our paper was quite heavily skewed towards risk balanced with a view that there is still a huge value to it, and it's not going away, it's here for the long term.

We have been transparent about the steps we are taking to understand more about web3 and put in place the right support to develop our approach before final board approval within the UK. I think that is working quite well.

We are also lucky to be part of a global organisation that has expertise in this area already so we don't have to do anything alone or from scratch.

What is the future of Charity and Web3 in your opinion?

I wish I had a crystal ball! I think we have to get to grips with our aversion to risk. Charities are often really risk averse which means for many organisations they will never take the risks to really enter into something like Web3. There's a real chance you'll miss out on opportunities. How do you get a better risk framework that allows you to delve into new things more effectively.

Unless we resolve that risk challenge, charities will feel ill equipped or unable to enter it.

Linda's Recommended Podcast:
Crypto Aid in Ukraine with Save the Children
The Blockchain.com Podcast

LinkedIn:
https://www.linkedin.com/in/lmc bain/

Twitter: @LindaMcB

Save the Children UK
https://www.savethechildren.org. uk/