



economics as if people
and the planet mattered



NEF Review of the Year

2014 - 2015



New Economics Foundation (NEF)

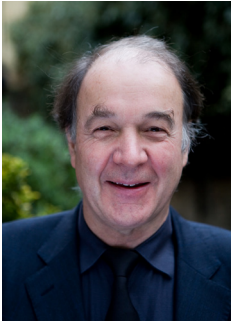
is an independent think-and-do tank that inspires and demonstrates real economic wellbeing.

We aim to improve quality of life by promoting innovative solutions that challenge mainstream thinking on economic, environmental and social issues. We work in partnership and put people and the planet first.

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Message from the Executive Director



2015 has been a year of big political change, both at home and abroad. It has brought new opportunities, as well as unexpected challenges, for those of us working to build a better society.

The world may be changing at a rapid pace but NEF's mission remains clear: to kick-start a new, sustainable economy with fresh thinking and on-the-ground action. All the evidence – whether it's climate victories in European courts, prominent business owners backing shorter working hours, or MPs debating money creation for the first time in 170 years – shows we're making progress. And NEF is at the forefront of this positive change.

Even when powerful establishment voices dominate the headlines, we still find ways of making ourselves heard. By the time you read this, our podcast will have reached its 160,000th play.

While others settle for business as usual, we put forward bold new ideas that make good economic and social sense, without costing the earth.

And almost 30 years since NEF was established, we remain independent of both political parties and corporate interests - testament to the hard work of our staff and the generosity of our supporters.

This is my twelfth and final annual review as NEF's Executive Director. Looking back, I am immensely proud of everything we have achieved together, both this year and over the last decade. But looking forward, to NEF's thirtieth year and beyond, I know the best is yet to come.

Stewart Wallis



Timeline of the year

July

We make the case for directly tackling economic inequality as one of the UN's new sustainable development goals

The *Observer* endorses our call for a shorter working week

September

We launch a new toolkit, drawing on work with Lambeth and Cornwall councils, to help other local authorities work with young people to improve youth services

Our contribution to the Scottish referendum currency debate sets new traffic records for NEF's website

October

Landing the blame highlights which member states are most responsible for overfishing in EU waters



Our new measure of how inflation actually impacts low earners makes headlines in the *Guardian*, the *Daily Mail*, and BBC News

November

Talking wellbeing reveals evidence of how wellbeing can shape policy-making for the better

Participants in our new spokesperson network get their first media bookings on Sky News and BBC 5 Live



December

The wrong medicine calls for a halt to the costly market-based reforms being made to the NHS

BBC Radio 4's *Teaching Economics after the Crash* lists our textbook **Where does money come from?** as suggested reading

January

NEF's Chief Economist provides his analysis and predictions for the *Financial Times*' annual survey of leading economic thinkers

Our research on better ways to spend the £33 billion HS2 costs is raised by MPs in parliament

February

Responses to austerity

discovers how groups across the UK are responding to and challenging public spending cuts



March

Our new online model proves the economic benefits of sustainable fishing in EU seas and picks up blanket coverage across Europe

April

With a huge oil discovery made near Gatwick airport, we argue on BBC Radio 4's *Today* programme that it must stay in the ground

After over a decade at 3 Jonathan Street, NEF moves office to... just round the corner at 10 Salamanca Place

June

We get the opportunity to meet and discuss our work with NEF supporters at our summer open day

A new campaign, based on NEF research, calls for a frequent flyer levy to reduce dangerous carbon emissions and cut air fares for lower earners

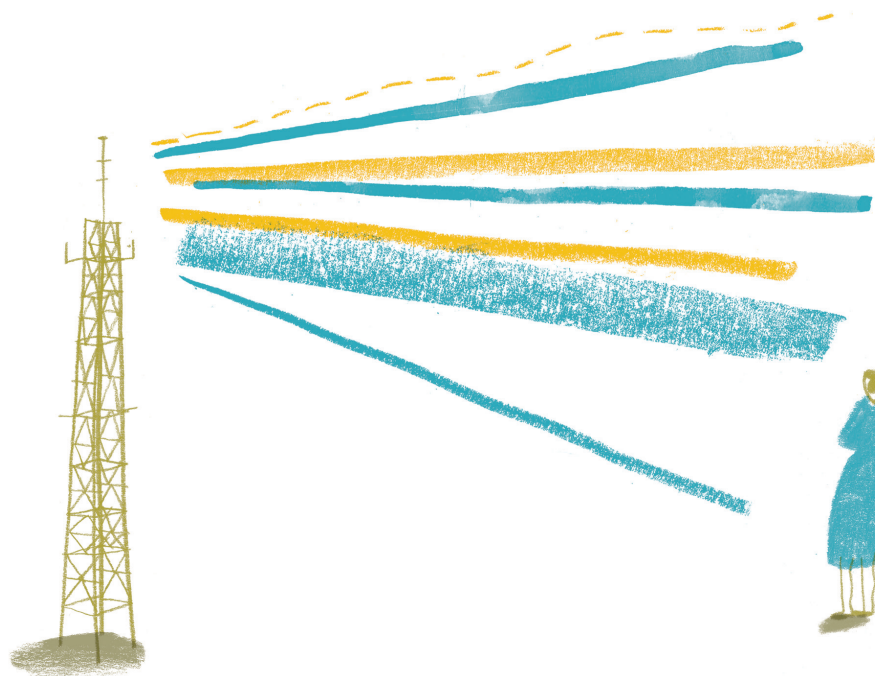


Breaking the news

The vast majority of the UK public still prefer to get their news from national TV and radio, more than any other source. For those of us pushing for a new kind of economics, we need the media to make our voices heard.

NEF's experts have never been more in demand. In the last year alone they've appeared on every national news network and influential show - whether it's Sky News or the *Today* programme. But we want to do more than put forward our latest research. We want to transform the increasingly stale news agenda.

In September, we launched our Spokesperson Network, a new initiative to boost the diversity of faces,



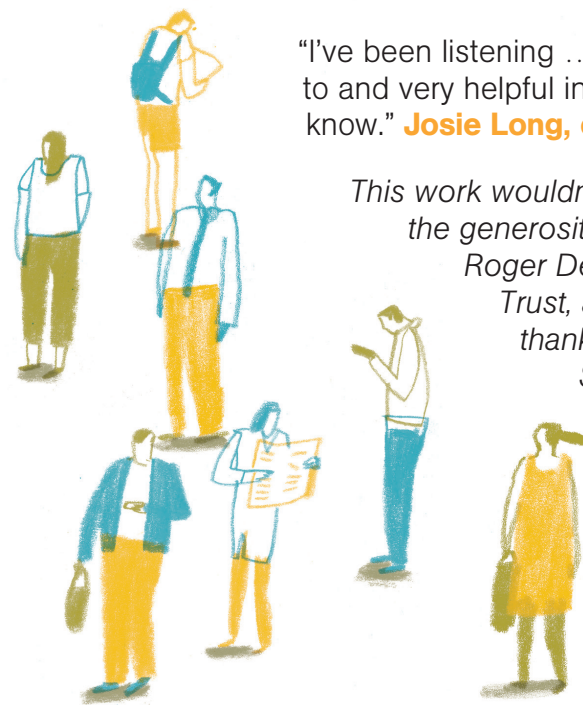
voices, and ideas you see and hear on the news each day. Our two-day training course gives new spokespeople the skills they need to tell their stories in a compelling way, as well as take on even the toughest of interviewers. Since then we've trained over 30 participants, including doctors, students, climate campaigners, and immigration experts.

Even as we work to turn the page on old news, NEF is harnessing the power of digital communications to reach new audiences directly. Since its first episode last winter, our Weekly Economics Podcast has tackled issues as diverse as housing and the Greek economy, and been listened to over 160,000 times.

"I love the podcast and listen to it every week. It's a really useful resource." **Cat Smith, MP for Lancaster and Fleetwood**

"I've been listening ...and they are fun, easy to listen to and very helpful in explaining things I didn't yet know." **Josie Long, comedian**

This work wouldn't have been possible without the generosity of the Kestrelman Trust, Roger De Freitas, the Barrow Cadbury Trust, and NEF supporters. Huge thanks to Kirsty Styles and James Shield for their work on the Weekly Economics Podcast.



The true cost of our food

This year we took a closer look at what's on our plates to uncover the true cost of the UK's food system. What we found was shocking.

Totalling up the side-effects – obesity, pollution, and more – at £26 billion, our food costs us all an extra 28% on top the amount we pay at the till.

From inefficiency and environmental damage, to the support of bad jobs and inequality, it's failing across the board in what a successful food system should deliver: wellbeing and sustainability in a socially just way.

We presented our findings at the Oxford Real Farming Conference, where industry experts and journalists wanted the scoop.



NEF and our supporters know this unhealthy and unsustainable mess is simply more evidence of a wider problem – an economic system that has lost its way.

Poverty forces too many of us to compromise on quality when it comes to our diet. Life's treadmill pushes people towards time-efficient fast food. A fixation on GDP growth sidelines the things that really matter in life.

NEF is the only think-tank in a position to come up with joined-up solutions to these deep-rooted problems, and on our journey we also uncovered many stories of real success.

Meeting with innovative farmers all over Europe, we learned about circular, resource-efficient food supply chains in Germany; how good jobs can strengthen and support vulnerable local people in Spain; and the principles of farming in collaboration – not competition – with nature in Italy. Here in the UK we experienced the cultural and community dimensions of farming.

Changing the dominant system won't be easy, but we've never been afraid to challenge mainstream thinking – be it finance, fisheries, or farming.

"This is an important report which highlights the need to redefine what success means for our food systems." **Dan Crossley, Executive Director at the Food Ethics Council**

We're grateful to everyone who made this work possible, including the Bielenberg Family Foundation and NEF supporters.

People powered money

Money is a tool that should be working for us, not the other way around. But in 2008, the financial crisis proved that the conventional monetary system was actually working against the best interests of our society and the economy.

NEF has shown that money has the potential to unlock a range of social, economic, and environmental benefits. Our economics textbook on money and banking has influenced politicians, economists, and academics alike, while our innovation in local currency design, developing the Brixton Pound, has helped to put this thinking into practice.

This year we published *People Powered Money* – the ultimate step-by-step guide, unravelling the mysteries behind our every-day understanding of money, and outlining how local communities can kick-start their own currencies.

Working with seven international partner organisations, over the last four years we've travelled across Europe, to develop six of the most exciting pilot currency schemes. We wanted to help measure their progress towards the social and economic goals they were designed to achieve.

Whether it was supporting smaller businesses or giving local people access to services that they would otherwise be excluded from – we found that re-designing money really can work for us.



This project is an exciting step forward, empowering local communities with the knowledge and skills they need to challenge a financial system that isn't working. We're extremely proud that our contribution to this project was recognised with a nomination for the RegioStars Awards for 'The most inspiring and innovative European projects co-funded by the EU's Cohesion policy.'

NEF's work on the Community Currencies in Action project was made possible with financial assistance from the European Union and the Tudor Trust.

The future of social security

We're stronger together than we are alone: that's the principle behind our shared welfare state.

But just as our National Health Service was created in response to huge social and economic challenges, the deeply entrenched problems we face today mean we need a new framework for what we expect of our government and how we live together.

This year, NEF launched its proposals for a new social settlement. It builds on the strengths of the post-war settlement, and sets out ways of tackling our distinct twenty-first century problems.

There are those who say we can no longer afford the fundamental protection our welfare state offers. We disagree.



At a packed launch event back in February, we explained that with a rebalancing of our work and time, a concerted effort to unlock our shared human resources in society and in public services, strong social security, and an industrial strategy that puts decent jobs and eco-social policies front and centre, we can plan for prosperity and social justice without relying on economic growth.

We live in a changed world, but the fundamental challenge remains the same - how to achieve the best for ourselves and others, while protecting the environment on which we all depend. Our new social settlement proves it is possible to meet the needs of today without compromising the ability of future generations to do the same.

NEF's work on a new social settlement was supported by Oxfam and NEF supporters

A banking system fit for purpose

Seven years on from the global financial crisis and not enough has changed. This year, our Financial System Resilience Index placed the UK bottom of the league table when comparing how vulnerable G7 economies are to another crash.

Our warnings made headlines in the *Daily Mail* and the *Guardian*, while our team explained the issue live on BBC Radio 4 and the *Jeremy Vine Show*. Westminster sat up and took notice, too, with the findings referenced in parliament.

Our main message? A strong system must be diverse – whether it's a natural ecosystem or a banking system.

This year the government began a reckless sell-off of the publicly owned Royal Bank of Scotland. Returning the bank to the private sector is a huge mistake – not just because of the massive financial loss to those of us who bailed it out, but the loss of a unique opportunity to fix our broken banking system once and for all.

We drew up a proposal to turn RBS into a network of 130 truly local banks. Creating a bank for every city and county, we crunched the numbers and calculated a potential £30 billion boost to the economy, on top of the increased resilience in the event of another crisis.

In co-operation with top campaigners Move Your Money and Sum of Us, we launched a petition urging the Chancellor to rethink his sale plans. More than 100,000 people have signed up so far to show their support.

A huge media splash followed: the *Mirror*, *Independent*, *Times*, and *Herald* among the papers covering the story, with Sky News, BBC Scotland, and BBC 5 Live's *Wake Up To Money* all wanting interviews.

After influencing a number of political parties' manifestos, we will continue to push this important work – our recent opinion polling shows over 58% of the UK public is behind us.

"This report on resilience in financial systems, from the New Economics Foundation, richly repays reading." **Professor Robert May (The Rt Hon the Lord May of Oxford OM AC Kt FRS)**

A big thank you to the Friends Provident Foundation, Joseph Rowntree Charitable Trust, The Tedworth Charitable Trust, and NEF supporters for funding this work.



Putting new economies into practice

A strong, sustainable national economy needs a network of thriving local economies to support it. We know there's a hunger for real change across the country.

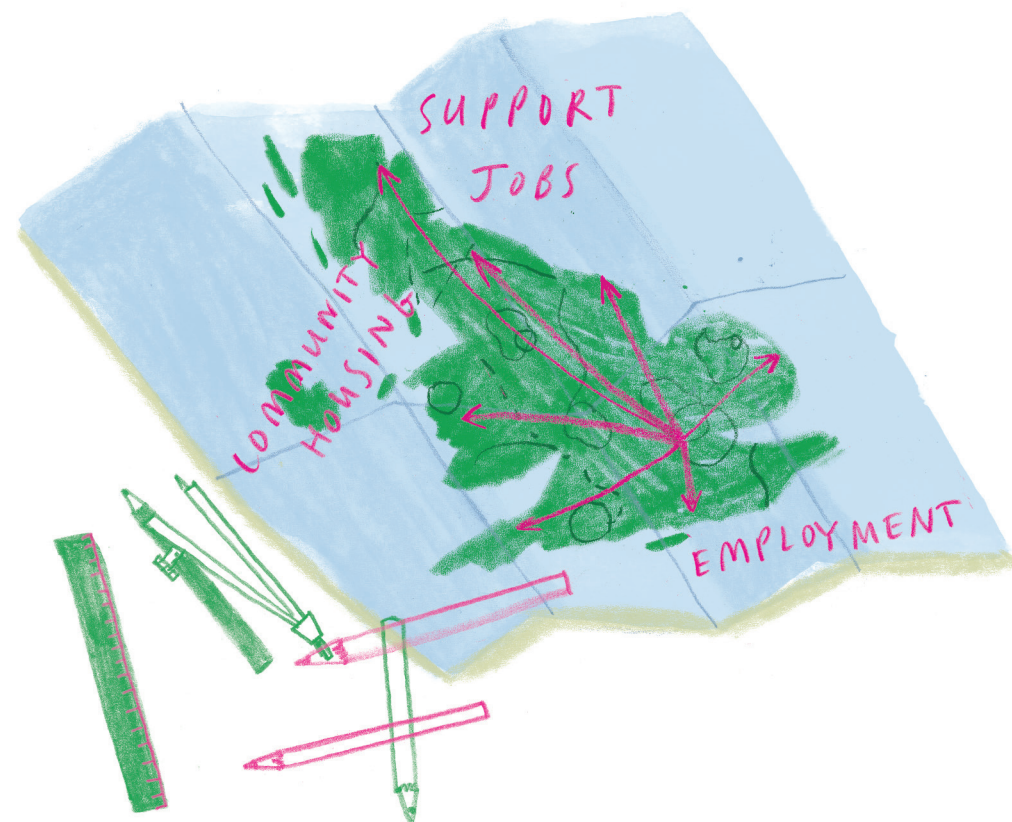
At NEF we've never been content to sit back behind our desks and wait for things to happen. Over the last year, we've worked with New Start Magazine and the Centre for Local Economic Strategies to uncover and support the most successful and sustainable approaches that are already boosting local economies in cities across the UK.

What we found was proof that the foundations for a new economy are already in place. Our next job is to build on them, with the help of local communities.

In partnership with Co-ops UK, CDFA, Locality, and Groundworks, we've supported over 60 communities to identify the biggest problems they face in their local area – whether it's high levels of unemployment or supporting local enterprises to grow.

Now we know the problems, we can work on solutions. Together, we're developing the skills and economic strategies to effectively tackle even the most deep-rooted issues.

We'd like to thank the communities we've worked with, The Hadley Trust, The Van Neste Foundation, Big Lottery Fund, the Friends Provident Foundation, and NEF supporters for making this possible. The consortium led by Co-operatives UK is funded by the Department for Communities and Local Government.



Wellbeing works

Wellbeing matters. What could be more important than guaranteeing good lives for ourselves, our neighbours, and future generations?

The government has been keeping track of the nation's wellbeing since 2011, and at NEF we're proud to see years of research and campaigning on this issue has made a real difference.

But measuring what matters is only the beginning. This year, we reached out to the public and discovered the issues that affect how well they feel their lives are going.



We used this information in our work co-ordinating the All-Party Parliamentary Group (APPG) on Wellbeing Economics, helping its MPs and peers to understand the power of wellbeing data when it comes to policy-making.

But our ambitions for change aren't limited to Westminster, or the UK. NEF joined up with Santa Monica City Council and its partners to design the 'Santa Monica Wellbeing Index' and measure if people there are really enjoying the high standards of living that they appear to.

The Santa Monica index measures wellbeing across six categories: outlook, community, place, learning, health and opportunity. Santa Monica then made the leap from listening to what issues are troubling their community to actually making things change. The wellbeing data helped inform where and to whom the city grants should be given.

NEF's Centre for Wellbeing will continue setting the agenda, putting our individual and collective wellbeing at the heart of government decision making both at home and abroad.

Time to take down inequality

Spiralling economic inequality is one of our biggest challenges. The gap between rich and poor continues to grow, and too little is being done to stop it.

This year, as the wealth of the top 1% surpassed that of the bottom 50% in the UK, we kept the issue on the agenda. NEF's findings on the links between our financial system and escalating inequality, and the risks they pose, shaped party manifestos.

But at NEF we want to come up with solutions, not just highlight problems.

Last summer we drew up a five-point action plan: create good jobs across the whole country, move away from a London-centric economy; make affordable high-quality childcare universally available, giving every child the best possible start in life;



end polarised pay, with some bosses earning a nurse's annual salary in just three days; introduce a fair tax system, making big businesses pay their fair share; and offer ways out of low-paid insecure work, away from short-term exploitative contracts.

As well as creating an online buzz, reaching hundreds of thousands of people via Facebook and Twitter, NEF's ideas were broadcast into millions of living rooms across the country when economic inequality expert Dr Faiza Shaheen co-hosted Channel 4's *How Rich Are You?*

We know inequality is an issue our supporters care deeply about. Together we can continue to make a compelling case for change.

*Our huge thanks to our partners
Friedrich-Ebert-Stiftung London and
to NEF supporters for making this
vital work possible.*

OUR YEAR IN NUMBERS



50K
TWITTER
FOLLOWERS



160K
PODCAST
PLAYS



200K
MINUTES OF
VIDEO WATCHED
ON YOUTUBE



**NEF GLOBAL
REACH OVER 100
COUNTRIES**



26
REPORTS
PUBLISHED



43K
FACEBOOK
LIKES



5 live
OVER 1,100
MEDIA MENTIONS
AND APPEARANCES



24
PACKED
EVENTS

Financial summary

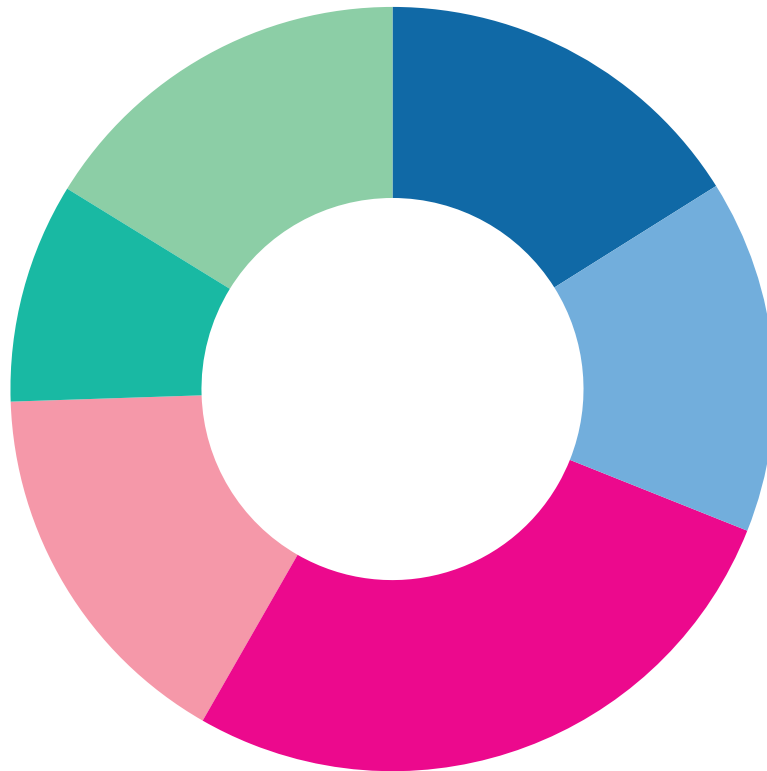
NEF is proud to be independent of political parties and special interests. We are a registered charity and rely on a broad cross section of individuals, charities, companies and public sector funders to undertake our work.

We are delighted to thank our major funders, listed opposite. We are also very grateful to all of you, too numerous to name, who give generously each month or have donated to our appeals. Together we are a powerful voice for people and planet.

NEF's total income for 2014-15 was £3 million. This was derived from three sources: major grants and donations (listed overleaf), individual supporters and donors, and earned income. We earn income through consultancy services in impact evaluation and organisational development for charities, the public sector and businesses – much of it through NEF Consulting. These contracts do not affect our research and advocacy agenda. Full audited accounts are available on our website.

Oak Foundation	333,000
The Hadley Trust	173,462
European Union	155,701
AIM Foundation	110,000
Office of the First Minister and Deputy First Minister	88,099
Network for Social Change	86,000
Adessium Foundation	75,000
People's Health Trust	72,161
Calouste Gulbenkian Foundation	72,000
Sciencewise and the Cabinet Office	68,280
Friends Provident Foundation	52,633
Simon Peter - Leamington Spa	46,985
The Tudor Trust	40,000
Arts Council England	39,210
The VELUX Foundations	35,035
Trust for London	30,750
John Ellerman Foundation	30,000
R H Southern Trust	30,000
Barrow Cadbury Trust	26,250
Tinsley Charitable Trust	25,000
City Bridge Trust	23,000
William Arthur Marsh	20,000
Joseph Rowntree Foundation	18,342
Christina Lee Brown	18,253
Department for Communities and Local Government	16,000
Open Society Initiative for Europe within the Open Society Foundations	15,975
The Connectus Komonia Charitable Trust	15,950
A coalition of Community, FDA, Nationwide Group Staff Union, Nautilus International, Prospect, Royal College of Nursing, Society of Radiographers, USDAW	14,750
The Nationwide Foundation	11,808
Ron Ockwell	10,000
Everyone at Lots Road Auctions	10,000
The Tedworth Charitable Trust	10,000
Walton on Thames Charity	10,000
Changing Lives	7,650
Bielenberg Family Foundation	6,275
The Ecology Trust	5,000
Sherwood Forest Fund	5,000
Wandsworth Community Empowerment Network	5,000

Expenditure summary by programme



■ Environmental Economics £405,748	■ Social Policy £408,917
■ Finance and Business £377,482	■ Valuing What Matters £34,878
■ Great Transition £686,917	■ Wellbeing £409,084

NEF Consulting

NEF Consulting (NEFC) is NEF's wholly-owned social enterprise, using NEF's ideas and tools to help public, private and third sector organisations prove and improve their value to people and the planet. Through analysis, training and strategic advice NEFC enables charities, government, international development agencies and businesses to integrate social, economic and environmental measurement into their culture. In doing so, it works to transform the long term sustainability of their activities and investments.



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New Economics Foundation is the UK's leading think tank promoting social, economic and environmental justice. Our purpose is to transform the economy so that it works for people and the planet.

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