

NEWS AND ANALYSIS

FEBRUARY 05, 2018

✓ PREMIUM

New Site Seeks to Make It Easier for Giving Circles to Blossom

By Heather Joslyn

Over the 10 years since Tracey Webb founded Black Benefactors, a Washington-area giving circle for African-American donors, she has had many conversations with people who want to get serious about their giving.

Sometimes, if they have heard of donor-advised funds, they investigate that option.

"The first thing they tell me is, the initial donation to open a fund is a barrier to them," Webb says.

But perhaps no longer. On Monday, Global Impact, a nonprofit that raises money largely for international charities and awarded about \$80 million in its 2017 fiscal year, launched a new online site, Growfund for Giving Circles, which it has been testing for about a year with a few select groups.

Growfund was developed with \$625,350 in support from the Bill & Melinda Gates Foundation. It allows people to set up accounts with no minimum gift, says Scott Jackson, Global Impact's chief executive.

The version now available nationally also allows people to find and join groups of other like-minded donors or to join as a group (such as a giving circle).

Donors can search the site for nearly 1 million charities worldwide that work on particular causes and join with other donors who are supporting those organizations. They can make grants, keep track of their giving, and set up a payroll deduction to finance their accounts.

The goal, Jackson says, is to "democratize giving."

Removing Barriers

The idea for Growfund sprang from the increasing need for private philanthropy in international development as government sources began to pull back, says Jackson. In addition, he says, data showed that "more and more Gen Xers and millennials want to give together."

Donor-advised funds — accounts that allow people to set aside money for philanthropy, take a tax deduction, and later decide which causes to support — have exploded in recent years but require a minimum donation, usually in the thousands, to start. Global Impact, Jackson says, wanted to make them more widely accessible.

Giving circles — groups of donors who pool their money and decide together where it should be donated — number more than 1,000 in the United States, according to the Collective Giving Research Group, and they awarded nearly \$28 million in 2016, the most recent year for which data is available. But they face many obstacles, Jackson says.

He ticks off the challenges: "Giving circles have to find a bank. One person has to collect the checks. They have to decide who to give to, how to get the money out, how to get reporting back. We decided we wanted to take all those barriers out."

A Circle Grows

The organization tested Growfund for Giving Circles with a handful of organizations, including the volunteer-led Black Benefactors. Five giving circles joined Growfund before this week's launch, Jackson said. They distribute nearly all of the money they raise each year.

Webb, a policy analyst at the Maryland Governor's Office for Children, says her giving circle's members have told her they appreciate the ease and convenience of Growfund. (And she no longer has to nudge members to remind them to make payments on pledges.)

Black Benefactors has grown from 33 active members a year ago to 40, in part because Growfund made it more attractive for people who had stopped contributing to rejoin the giving circle. In the past, her group's members would disburse at least \$10,000, usually every other year. In October, it gave out \$15,000, Webb says, and members are talking about making grants annually.

Global Impact intends to get the word out about Growfund for Giving Circles through groups like Black Benefactors as well as networks like Amplifier, which connects giving circles that follow Jewish values.

"This is a great platform for diaspora, for affinity groups," Jackson says.

He adds, "Our hope is that there will be a lot of Growfunds across the country, Now is a critical time for donors to not only give but to be strategic and to find each other."

Copyright © 2018 The Chronicle of Philanthropy