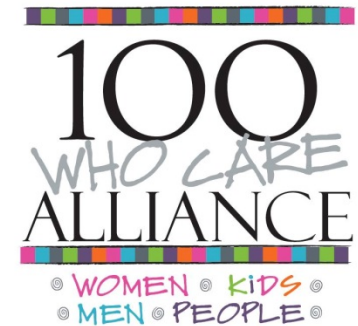




YOU DON'T HAVE TO BE A MILLIONAIRE

Newberry Library
Marilyn Foster Kirk, CFRE
May 1, 2015

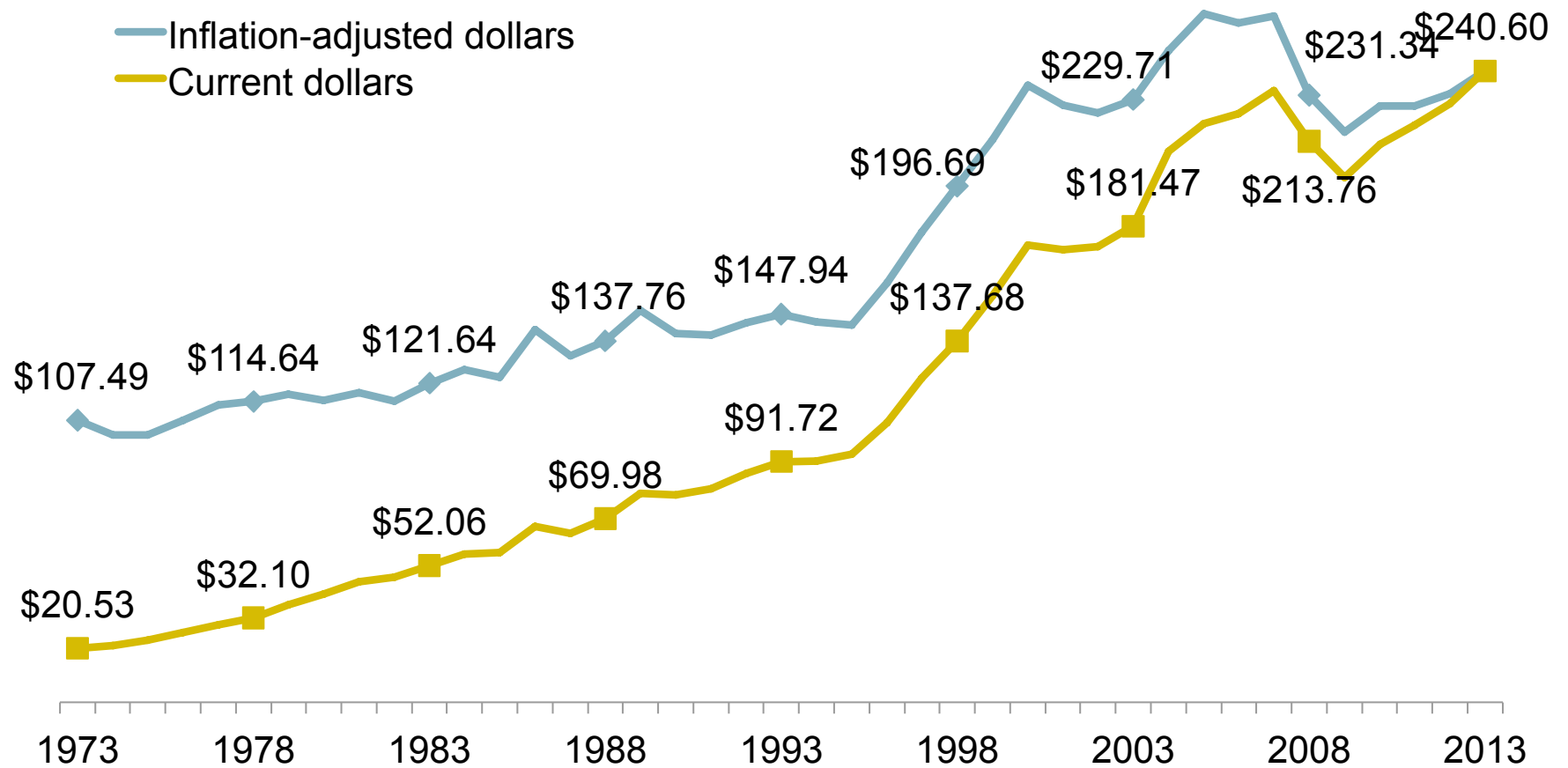


Topics

- Trends in giving and philanthropy
- Giving circles as “new ventures” in philanthropy
 - Principles and practices

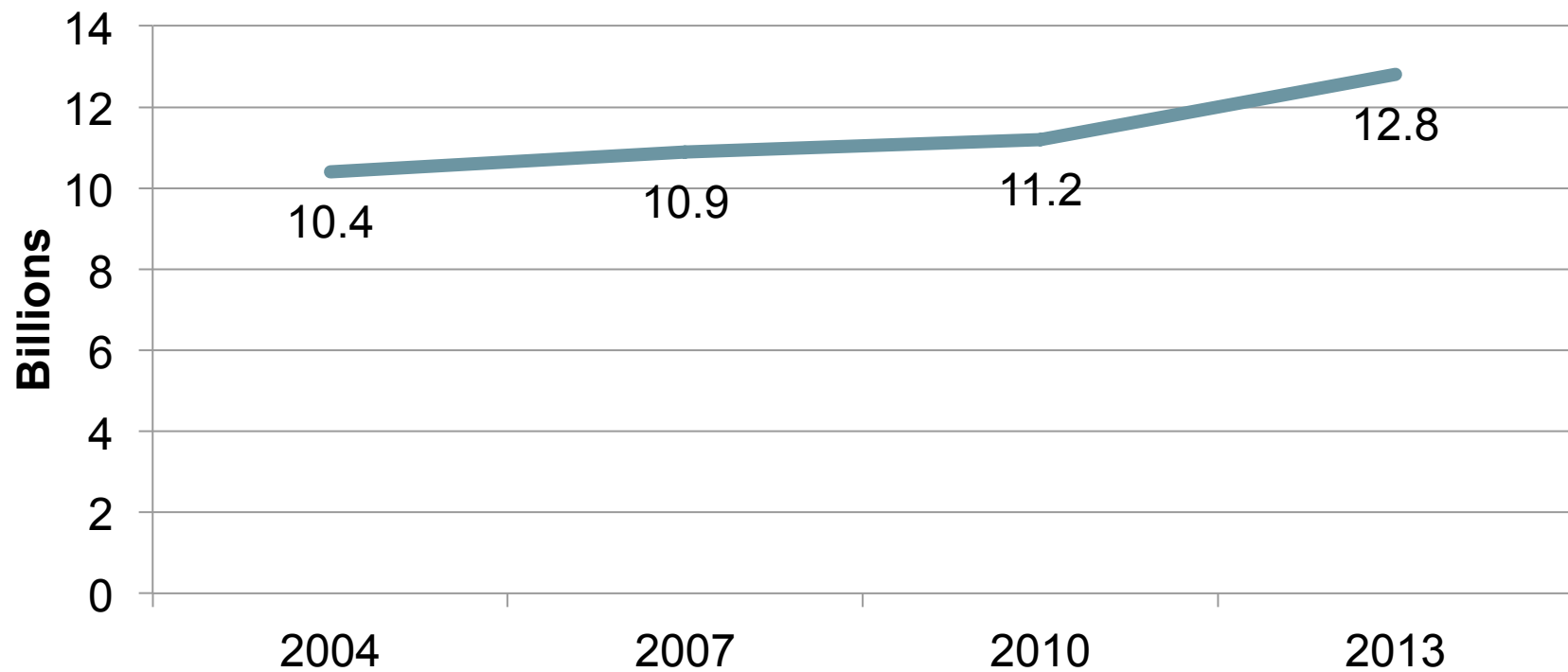
Giving by individuals

Source: Giving USA, The Giving Institute, June 2014



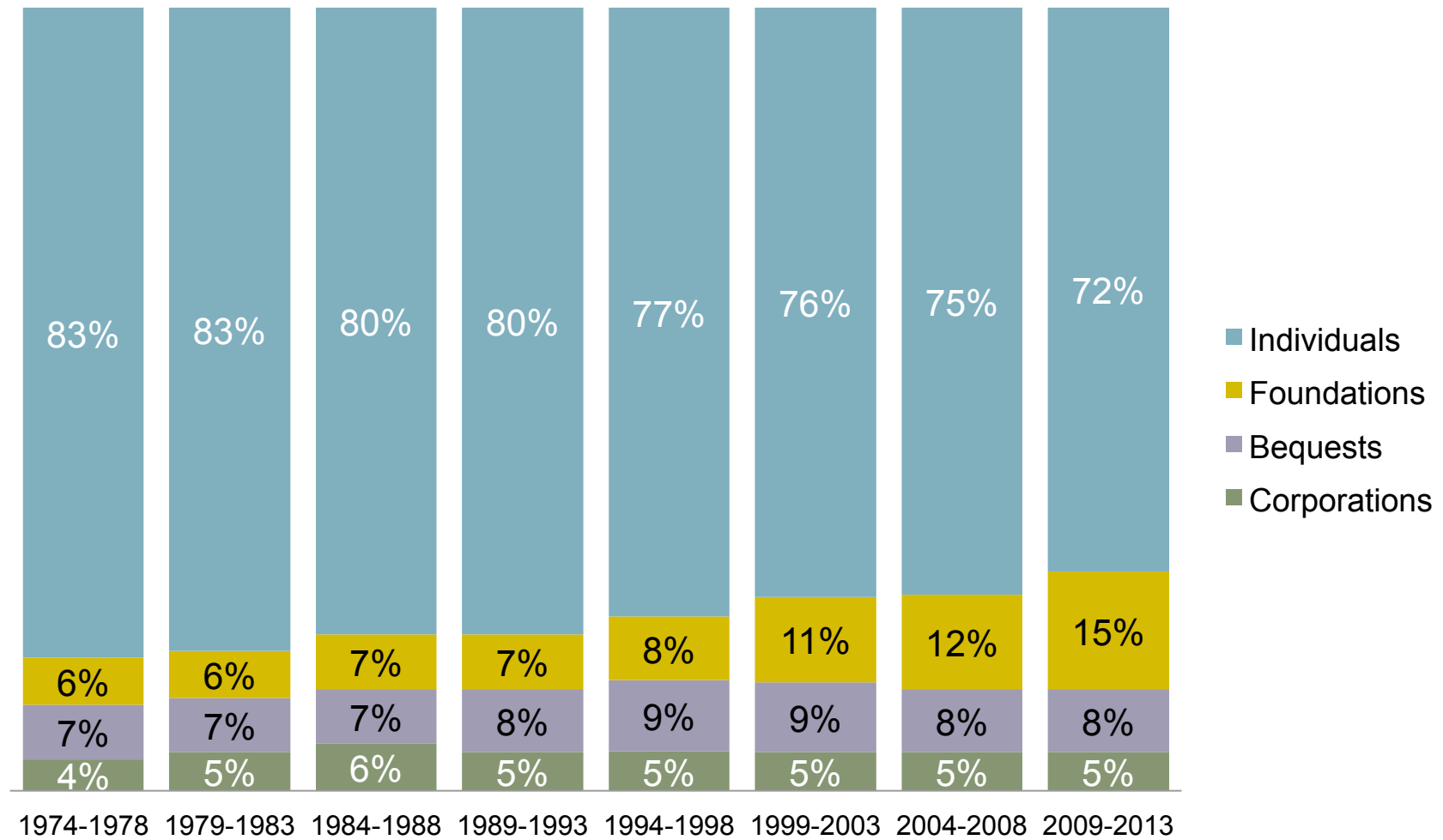
Giving by individuals: Canada

Source: Volunteering & Charitable Giving in Canada, General Social Survey, Statistics Canada January 2015



Giving by source: USA

Source: Giving USA, The Giving Institute, June 2014



Giving by source: Canada 2012-13

Sources: Assets & Giving Trends of Canada's Foundations, Corporate Giving in Canada, Volunteering & Giving in Canada

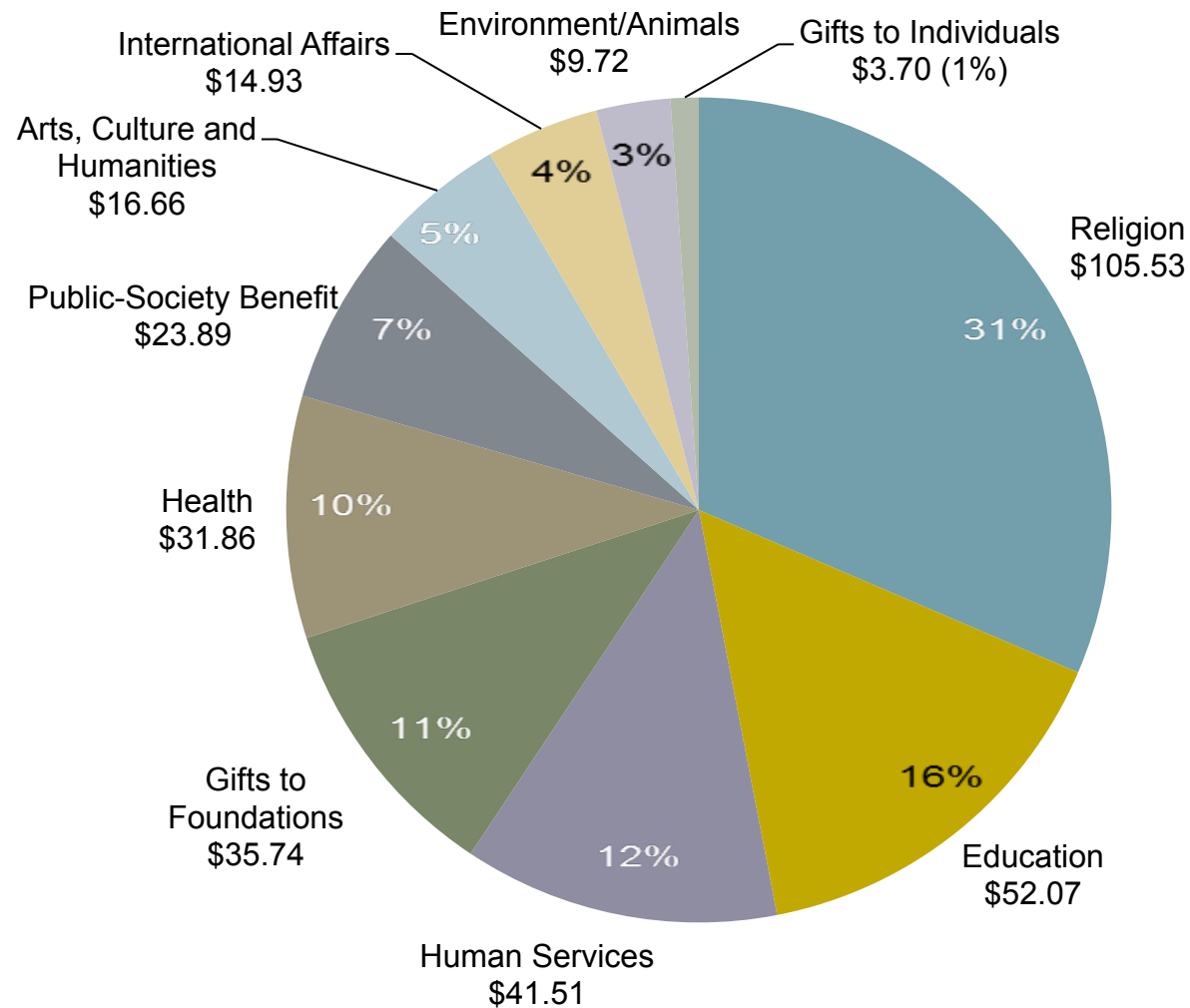
Individuals:
\$12.8B

Corporations:
\$3.3B

Foundations:
\$4.4B

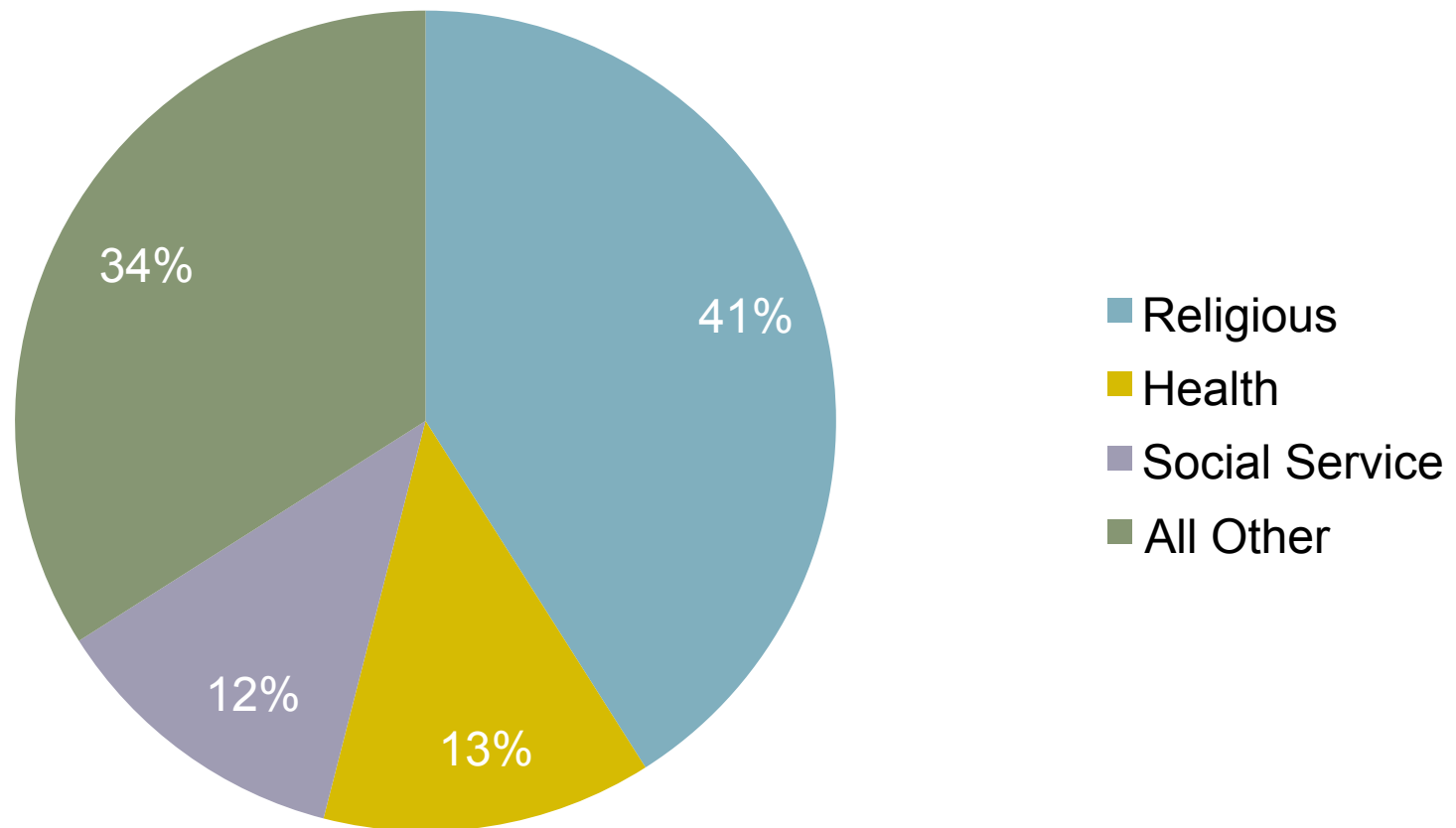
Recipient organizations: USA 2013

Source: Giving USA, The Giving Institute, June 2014



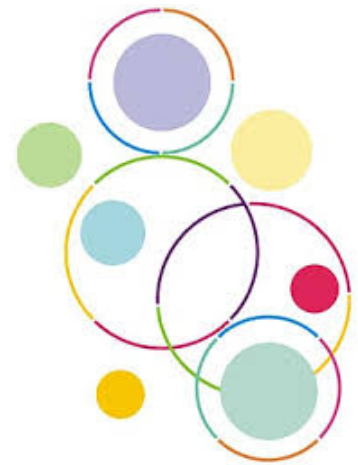
Recipient organizations: Canada 2013

Source: Volunteering & Charitable Giving in Canada, January 2015

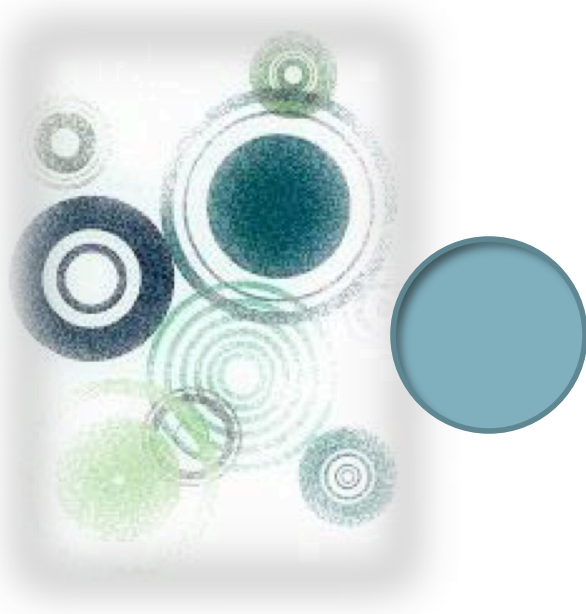


Trends in philanthropy

- Big and Getting Bigger
- Not your Old Andrew Carnegie
 - Finding a Cure
 - What's Good for Business
- Building a Better Mousetrap
 - Two is Better than One
 - Donors Front and Center



Where do giving circles fit?



- Collective giving
- Diversity of donor base
- Diversity of “causes”
- Donor-driven
- An innovative approach with a diversity of practices, structures, resources & objectives

Who participates?

Source: Dean-Olmstead et al, Connected to Give: Community Circles, 2014

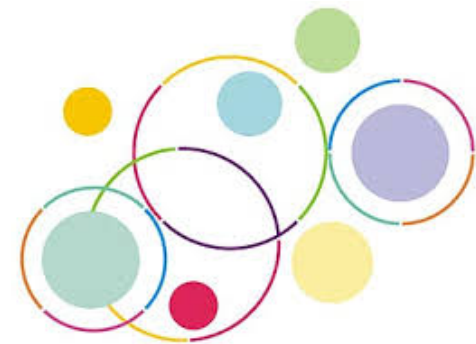


- 1 in 8 Americans
- ~50% under age 40
- 41% non-white
- Mostly female
- Incomes between \$50,000 and \$99,999

Why join a Giving Circle?

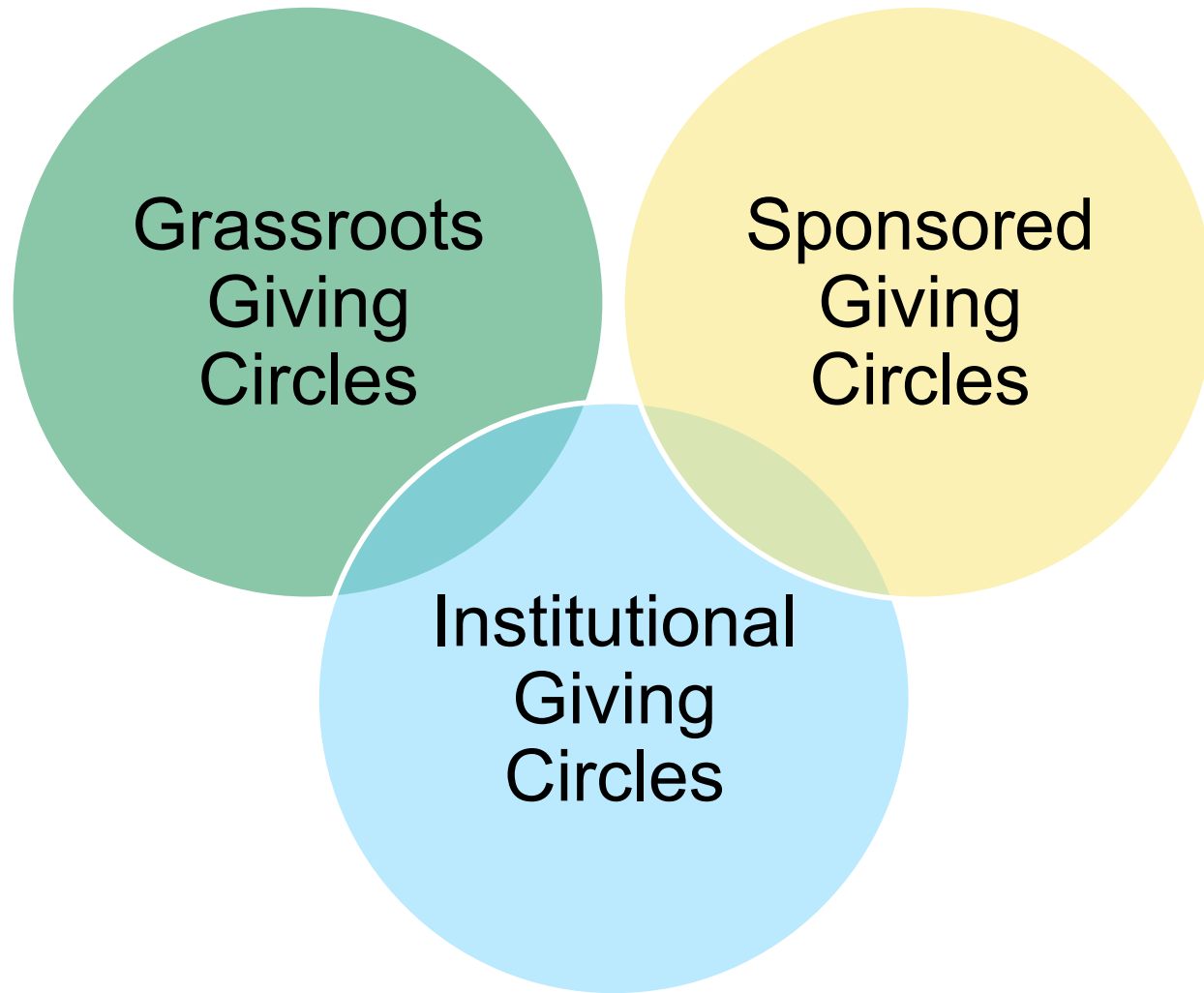
Source: Dean-Olmstead et al, Connected to Give: Community Circles, 2014

- Giving Circle members say giving is
 - More hands-on
 - Innovative
 - Transformative
- Members say Giving Circles help them become
 - More strategic
 - Better educated



A Giving Circle spectrum

Source: Arrillaga-Andreesen, Giving 2.0, Stanford Social Innovation Review, Winter 2012



A snapshot of the Giving Circle spectrum

Source: Arrillaga-Andreesen, Giving 2.0, Stanford Social Innovation Review, Winter 2012

Characteristics	Grassroots	Sponsored	Institutional
Membership	Self-organized: family, friends, colleague networks	Membership by \$ amount, group created around issues of common interest	Application process, community of philanthropists
Administration	Participant run	Part-time staff	Professional paid staff
Grantmaking objectives	Causes & organizations mostly local	Specific issues	Scaling social innovation; capacity building
Grant process	Simple, organic	Formal	Professional application
Grant size	~\$100+	\$5,000 - \$25,000	\$50,000+
Grant term	One time	1-3 years	3-7 years
Evaluation of impact	Usually not done	Conducted internally	Formalized, conducted by third-party

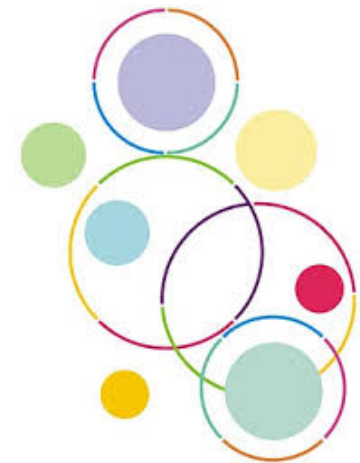
Best practices – some observations

- No research to substantiate “what works best”
- Will vary by type of giving circle and preference of members
- Research suggests some cultural attributes
- Experience suggests some organizing principles



Cultural attributes

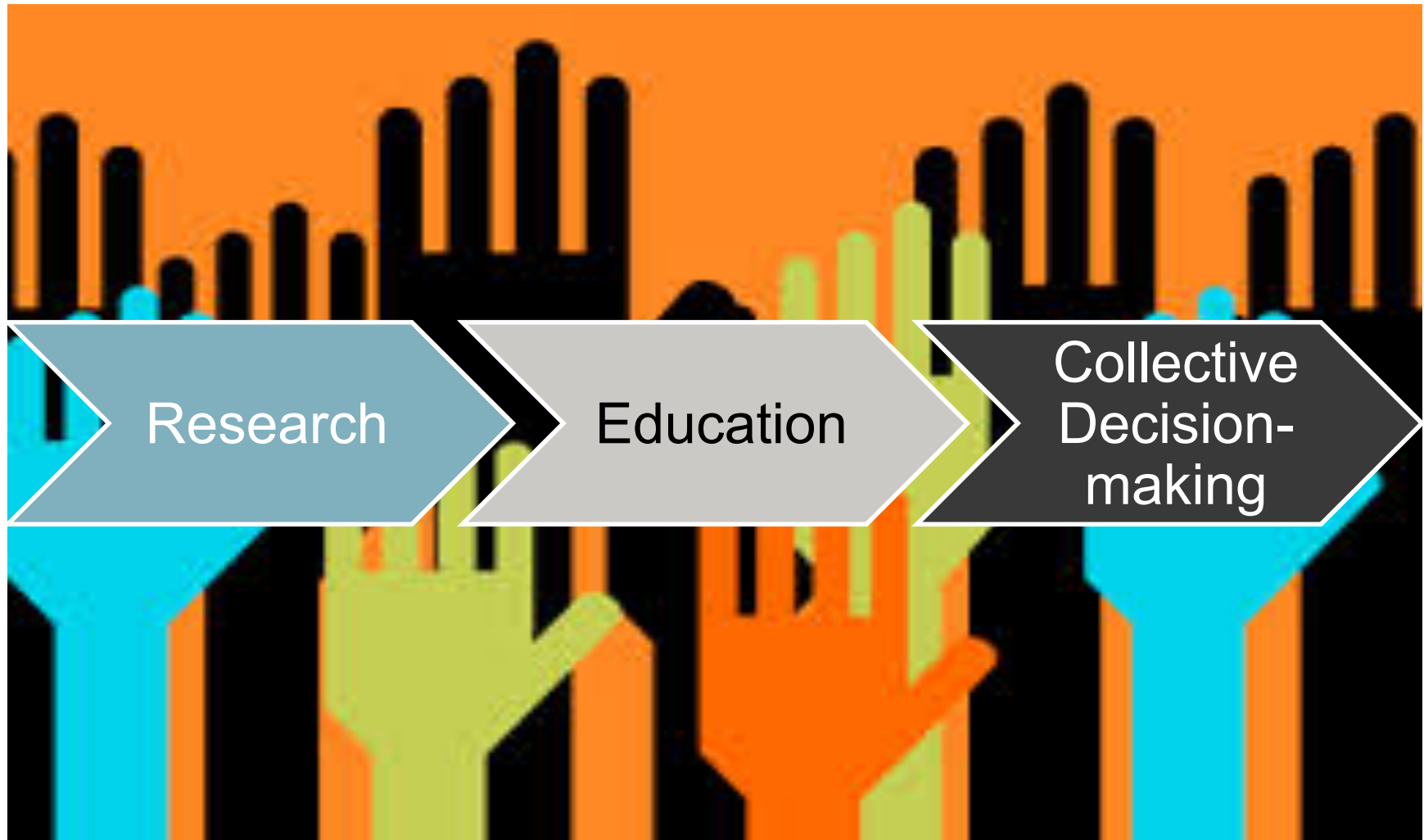
- Leveraging individual contributions to make significant impact
- High degree of individual donor engagement
- Democratic processes
- Empowering donors
- Attracting “new” donors
- Diversity of donors and grantees
- Understanding and appreciating philanthropy
- Generating new sources of philanthropy
- Social change and investment



Organizing principles

- Degree of organizational formality, mission and purpose
- Membership size, requirements and recruitment
- Expectations for member engagement, i.e. money only, volunteering, vetting potential grantees, attendance at meetings
- Grant making objectives, i.e. types of organizations to be supported, causes or issues
- Grantee programs to be supported, e.g. on-going operations, capacity-building, programs, specific projects, etc.
- Procedures for inviting, vetting and selecting grantees
- Educational objectives for circle members on such topics as community issues and needs, understanding causes, developing deeper understanding of philanthropy, etc.
- Means for evaluating effectiveness

Collective giving process



Evaluating grantees – general criteria

- **Relevance**

- How important is their mission in terms of addressing community needs or issues?
- Does their mission fit with your circle's areas of interest?

- **Effectiveness**

- How well are they achieving their mission?
- Do they have effective leadership?
- Are they financially viable? Sustainable?

- **Efficiency**

- Are they maximizing the use of their resources?
- Putting them to the best and highest use?

- **Vision**

- What future do they envision for their work?
- What strategies do they have in place for achieving this vision?

- **Impact**

- Who are they serving and how well?
- How are they evaluating and measuring impact?
- Are they addressing root causes as well as treating symptoms?

Doing your research

- Third-party reports
 - IRS Form 990 or Canada Revenue Agency Form T3010
 - Revenue, expense and changes in net assets
 - Relationship between functional expenses: Program, Management & Fundraising
 - Statement of program accomplishments
 - Board members
 - Compliance relative to conflicts of interest, self-dealing, changes in by-laws
 - Guidestar, Guidestar International, Charity Navigator, BBB/Wise Giving Alliance
 - Accreditation and ratings

Learning about the potential grantee

- Giving Circle Initiatives
 - Annual reports
 - Financial reports, preferably audited
 - Organizational website
 - General internet search
- Grantee Initiatives
 - Application – short, simple and relevant
 - Structured presentation to the Giving Circle
 - Questions and answers
 - Site visits – pre- and post-award

Reaching a collective decision

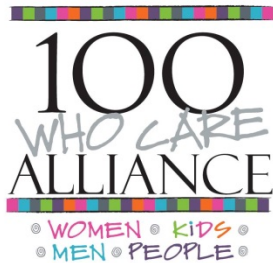
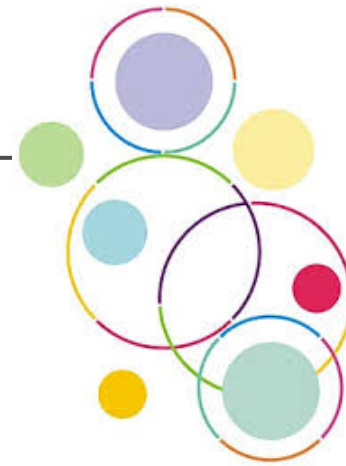
- How funding decisions will be made: Unanimous, 2/3 majority, simple majority; viva voce or secret ballot, etc.
- How to share research information, i.e. on a secure website, oral presentation to the group, distribution of paper reports, etc.
- Whether attendance at grantee presentations is requirement for voting; if not, determine how to summarize and distribute
- How to share site visit information with all members
- When to set calendar so all members are aware and can plan their participation
- What confidentiality expectations exist

Commitments to grantees

- Confidentiality
- Clear and candid communication--
transparency
- Respect for time and expectations
- Clarity of decision-making process and timeline
- Feedback



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