



FORUM
OF REGIONAL
ASSOCIATIONS
OF GRANTMAKERS

more
giving
together

THE GROWTH AND IMPACT
of GIVING CIRCLES and SHARED GIVING

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More Giving Together:

An Updated Study of the Continuing Growth and Powerful Impact of Giving Circles and Shared Giving

EXECUTIVE SUMMARY

Having devoted 15 years to working on behalf of good causes, Ana Gloria Rivas-Vázquez was no newcomer to philanthropy.

But after reading the book *Prince Charming Isn't Coming: How Women Get Smart About Money*, she found fresh inspiration:

Wouldn't it be exciting if women in her community combined their talents and money, and invested in social change to help other women and children?

That spark led to the launch of the *Smart Women with Spare Change* giving circle in Florida on March 31, 2006, to commemorate the birthday of César Chávez. The founding members "are women who understand the simple concept of generosity and connection to others," says Rivas-Vázquez. "They want to contribute back to their community and make it better."

The members of Smart Women with Spare Change are ordinary people who have made an extraordinary commitment to making a difference in their community. Like members of giving circles nationwide, they each donate to a pooled fund and grant their money back into the community. Just a year after it was founded, the group has already made its first grants.

Giving circles like *Smart Women with Spare Change* are growing in popularity, impact and importance across the United States, according to a second study of giving circles by the Forum of Regional Associations of Grantmakers.

The results of the Forum's first exploratory study of giving circles, completed in 2004 and released in early 2005, surprised and thrilled many in the philanthropic community. The research found more giving circles in far more places than expected; more than 200 circles were identified and detailed information was reported from 77 of them. The findings also indicated that giving circles have a profound impact—both in terms of the money they give and the ways in which their donors are moved and changed by their experiences.

Now the Forum's second study, conducted in 2006, has identified more than 400 circles and collected detailed information from 160 of them. The new findings affirm the first study's exciting observation: Giving circles are an enduring and expanding philanthropic trend.

In short, we thought our studies would examine a small phenomenon. We found instead that they have documented a substantial and growing philanthropic movement.

JUST WHAT IS A GIVING CIRCLE?

The concept is as simple as it is powerful. A giving circle is formed when individuals come together and pool their dollars, decide together where to give the money (and other resources such as volunteer time), and learn together about their community and philanthropy.

Within these basic parameters, giving circles and shared giving take myriad forms. No giving circle looks or acts exactly like another. Indeed, the opportunity to shape a group to meet the particular needs of a community and the particular interests and capabilities of donors remains one of the most appealing aspects of a giving circle.

Some giving circles—such as the five-person Brooklyn, New York-based group *One Percent for Moms*—are small enough to meet in a living room and make all decisions through discussion and consensus. Others—like the 57-member *Latino Giving Circle* hosted by the Chicago Community Trust—partner with a local organization, such as a community foundation, through which they make grants and receive some administrative support. The *Washington Women's Foundation* in Seattle engages more than 400 women and operates with its own nonprofit status and a staff of four. Members' donations to giving circles range from less than \$100 to more than \$100,000 each year.

SIGNIFICANT FINDINGS OF THE 2006 STUDY

- 1 **Giving circles continue to grow dollars and donors:** The 77 circles we described in 2004 had collectively raised more than \$44 million and engaged more than 5,700 donors over the course of their existence. In 2006, the 160 circles that responded to our survey had raised more than \$88 million for community needs, granted nearly \$65 million and engaged more than 11,700 donors. In 2006 alone, giving circles granted \$13 million for community needs. If we combine the data for all the giving circles that have completed a survey in the last four years, the amount of money given jumps to nearly \$100 million!
- 2 **Giving circles are here to stay:** A third of the giving circles surveyed were newly formed in 2005 or 2006. At the other end of the spectrum, we found that circles were enduring well beyond their initial start-up phases: Some 27 percent had been through more than five rounds of grantmaking. “We are a force to be reckoned with,” says Gia Colosi, president of the *Spinsters of San Francisco*, which is in its 78th year.
- 3 **Giving circles are everywhere:** Giving circles flourish in small towns like Moscow, Idaho, and in big cities like Chicago. The Forum’s full database of giving circles includes groups from 44 states and the District of Columbia.
- 4 **Giving circles appeal to diverse donors:** Giving circles have often been considered a women’s phenomenon because so many find shared giving and giving circles to be a welcoming, supportive and empowering gateway to philanthropy. Indeed, women-only circles made up a slight majority of giving circles in this study.

But participation among men is increasing rapidly: Circles that were either co-ed or all-male made up 47 percent of the total.

Giving circles also attract donors of different ages, races and backgrounds. “It is a joy to be around the table with other people who look like me and are intelligent and passionate about the community,” says Tim McIntosh, a member of the *Next Generation of African American Philanthropists* giving circle in North Carolina. In fact, many giving circles’ explicit purpose is to engage donors and make grants within a specific racial or ethnic community.

Age matters, too. Some giving circles are intentionally intergenerational, and others target a particular age group—often, younger donors. “It’s important for those of us in our early and mid-20s to be engaged in philanthropy, particularly at the local level,” says Katy Love, founder of *Gather and Give: Let’s Eat*, a giving circle in Washington, DC, whose members

are all in their 20s. “Not only will we ‘get in the habit’ of being donors (and our donations will only grow), but we also want to learn about issues and volunteer.”

- 5 **Giving circles build community:** This round of research affirmed that giving circle members are passionately engaged. At a time when individuals seem increasingly disconnected from each other, giving circles promote collective learning, decision-making and giving. They build community by rallying individuals who, over the course of their work together, have meaningful conversations and make real-world decisions. Through giving circles, donors learn about community issues and become deeply involved in nonprofit organizations they may never have known existed.

“The giving circle idea has really opened participants’ eyes to the situations in the community that nonprofit organizations are trying to address,” says John Luebke, steering committee chair of the *Impact Fund for Emerging Philanthropists*, a program initiative of Foundation for the Carolinas.

In summary ...

Giving circles simply make sense. The research definitely shows that donors can accomplish more good, learn more, make better decisions and have more fun when they give together. In the pages that follow, the Forum describes the wide universe of giving circles and explores the ways in which these grassroots groups encourage giving, educate donors and build community.

ABOUT THE FORUM OF REGIONAL ASSOCIATIONS OF GRANTMAKERS

Based in Washington, DC, the Forum of Regional Associations of Grantmakers is a national philanthropic leader and network of 32 regional associations of grantmakers. The Forum supports philanthropy across the country by:

- Strengthening the capacity of all regional associations to fulfill their missions of promoting the growth and effectiveness of philanthropy to improve life in their communities;
- Sharing knowledge on growing philanthropy; and
- Working collectively to provide resources to grantmakers.

The Forum’s New Ventures in Philanthropy initiative provides communities (and the individuals, organizations and networks within them) with the tools and resources to grow philanthropy and address pressing community needs.

More Giving Together:

An Updated Study of the Continuing Growth and Powerful Impact of Giving Circles and Shared Giving

NEW VENTURES IN PHILANTHROPY

AN INITIATIVE OF THE FORUM OF REGIONAL ASSOCIATIONS OF GRANTMAKERS

"...This endeavor has transformed many of our members in very profound ways. They take more responsibility for others and their community. Participation has opened their eyes to other issues in society. I would say that it has been a spiritual journey for all of us."

—Ericka Carter of the *San Fernando Valley Giving Circle*

INTRODUCTION

The Forum's first exploratory study of giving circles in the United States was completed in 2004 and released in early 2005. This second round of research has three components that will be released as three separate reports.

- In this **first report**, we describe the wide universe of giving circles and update basic information about their characteristics, operations and impact. We also take a special interest in giving circles that have existed for more than five years.
- The **second report** will focus on the relationships between giving circles and their host organizations, with emphasis on promising practices that have created mutually beneficial relationships.

WHY IS THE FORUM INTERESTED IN GIVING CIRCLES?

Part of the mission of the Forum of Regional Associations of Grantmakers is to understand and promote philanthropic giving, particularly among people who have not, traditionally, been part of mainstream organized philanthropy. Through its New Ventures in Philanthropy initiative, the Forum has focused on racial, ethnic and tribal donors; women; people in rural communities; and younger donors. In the first five years of the New Ventures in Philanthropy initiative, the Forum funded experimental efforts to grow philanthropy. Many of these efforts signaled that giving circles were effective for engaging new donors.

Over time, it became clear that giving circles appealed to people who might never have considered themselves philanthropists in the traditional sense. These people include women, especially, but also next-generation donors and donors from diverse racial and ethnic communities. Shared giving is not new to many of these donors; in fact, for many communities, giving together is the norm. As a result, giving circles resonate strongly and provide a powerful way to build community.

The mission of the New Ventures in Philanthropy initiative at the Forum has now shifted from funding experimentation to providing tools, resources and knowledge to help more people become more philanthropic. We hope that, by highlighting giving circles in the media and providing knowledge and resources to help them start and sustain themselves, the Forum can encourage many more giving circles to form in many more communities.

- The **third report** will delve into the impact of giving circles on their donor members' philanthropy and civic engagement.

This first report was designed to meet three primary goals.

- 1 **Update basic giving circle data:** Our 2004 study of giving circles described the scope and scale of giving circles in the United States. The research painted a picture of the many different forms giving circles can take and drew some conclusions about why they are so appealing and important. Two years later, we were eager to learn whether giving circles and shared giving had changed or grown. As a result, this new report explores the current landscape of giving circles and makes note of significant trends.
- 2 **Describe and understand the ways in which giving circles sustain themselves over time:** Giving circles are still a relatively young phenomenon. With a few exceptions, the first giving circles emerged in the early 1990s, and most have formed since the year 2000. But the movement is showing signs of maturing as giving circles in existence for five or more years have evolved and grown.

This report examines the priorities and strategies of mature giving circles—those that have existed for more than five years. It explores the common challenges faced by circles over time, creative strategies for addressing these challenges, and the promising practices that have emerged. As this report describes, these “mature” circles have important lessons to share about how to evolve gracefully.

- 3 Encourage the formation of more giving circles:** Unlike traditional philanthropy, which has a reputation as the exclusive purview of the wealthy few, giving circles are known for being flexible and accessible. They can be—and usually are—made up of the very people who have been alienated from more established philanthropic vehicles: women, people of color, young people and people with limited disposable income.

Giving circles are democratic: Anyone can start one. Anyone can join one.

Conversations with giving circle founders led to one clear conclusion: The bulk of what it takes to start a circle is a good idea, a motivated individual or two, and a lot of hard work. Although the idea can originate in many places, often it springs from the story of another giving circle that has made a difference.

By continuing to highlight giving circles and their stories through this and other upcoming reports, the Forum hopes to inspire more people to start giving circles in their own communities.

WHO WILL FIND THIS REPORT MOST USEFUL

Intended to both inform and inspire, these research findings are particularly relevant to three broad groups:

- Philanthropic intermediary organizations, such as regional associations of grantmakers, funder networks and other philanthropic support organizations.*
 - As leaders in their communities and in the philanthropic sector, associations are a source of information about trends in philanthropy. Because of giving circles’ notable growth, any comprehensive depiction of a region’s philanthropic activities needs to include data about them.
 - Associations are ideally suited to reach out to giving circles and connect them to the philanthropic and nonprofit communities. Many giving circles—even the best established—are not tied into “organized” networks. Few circles are members of regional associations of grantmakers, and many are unaware of the resources, learning opportunities and networking available to them through grantmaking associations.
- Community foundations, public foundations, private foundations, nonprofit organizations, and other current or prospective host organizations.*
 - Community foundations and other public foundations are the most common hosts of giving circles. But private foundations, nonprofit organizations, universities and hospitals have also found that hosting giving circles can be helpful both to the community and to their own goals. Although this report does not focus specifically on host relationships, it offers a detailed overview of giving circles’ scope and scale in the United States and may be useful for understanding the larger trend of shared giving.
 - For organizations that currently host giving circles, this report may provide a national context for shared giving. In addition, the lessons from the longest-running giving circles may be instructive for determining how best to help giving circles both start and sustain themselves over time.
 - For organizations that are considering whether to host a giving circle, this report may be a useful primer on the extent to which giving circles and shared giving have grown in the last 15 years. They may be inspired by the degree to which giving circles have engaged donors and raised money for community needs.
- Members of giving circles—both existing and forming.*
 - Giving circles are, at their cores, grassroots groups. They usually form because someone has an idea and the energy to carry it forth. This report describes giving circles as a national trend, emphasizing that each giving circle is unique while also describing common characteristics and promising practices.
 - Existing giving circles may find it useful to know more about the challenges long-running giving circles encounter and the effective practices they develop. The long-running giving circles in this study—which have operated for more than five years—provide useful lessons about growing and staying vibrant.

- If you are considering starting or joining a giving circle, this report may provide a good overview of why giving circles are such powerful vehicles for giving, learning, and engaging in community. For additional information, tools, and resources, visit the Forum's Giving Circle Knowledge Center at www.givingforum.org/givingcircles.

STUDY METHODOLOGY

The Forum conducted this exploratory research using both surveys and interviews. We sent an electronic survey to more than 400 giving circles, which we identified over the last four years using a variety of techniques, including Google and LexisNexis searches, inquiries to philanthropic networks, and viral marketing.

The Forum was able to collect detailed information from 160 giving circles. Of the 400-plus giving circles that received the survey, 145 completed it in full and provided information about their structures, operations, donation levels and grantmaking. The information in this report was derived from this sample of 145 giving circles. Information about the number of donors and the amount of money raised and granted was supplemented with data from Social Venture Partners International and included data from the 15 Social Venture Partners groups across the country that did not complete the survey.

For the most part, this study was analyzed independently of New Ventures' study *Giving Together: A Scan of Giving Circles and Shared Giving*, which was conducted in 2004 and published in 2005. However, from that survey, our researchers extracted data for the 41 giving circles that completed the 2004 survey but not the 2006 survey. The researchers did so to estimate the amount of money given over time by *all* giving circles that completed a survey over the last three years.

Long-running giving circles (those with more than five years of experience) completed a special section of the survey pertaining specifically to their experiences. In addition, interviews were conducted with 11 individuals representing eight long-running giving circles. Interviews lasted approximately 60 minutes and were recorded for accuracy.

Both the survey and the interview protocols can be found in Appendices I and II.

PART I: The Scope and Scale of Giving Circles

In 2004, the Forum's first study of giving circles in the United States identified approximately 200 circles and reported detailed information from 77 of them. By 2006, our database had grown to more than 400 giving circles, and we collected detailed information from 160 of them for this report. Although the two samples are difficult to compare directly, our most recent findings affirm our observations from the first study.

Giving circles are a powerful philanthropic force: This report contains data from a sample of 145 giving circles that completed the Forum's survey, plus data from an additional 15 Social Venture Partners affiliates¹. The giving circles represented in this sample have raised **nearly \$90 million** for community needs over the course of their existence. They have granted **nearly \$65 million**. In 2006 alone, giving circles in our sample reported that they gave **more than \$13 million** in grants to organizations in their communities, their regions, and internationally.

Of the giving circles that provided information to New Ventures in 2004, 41 did not complete the 2006 survey. When data from these circles were added into the mix, a conservative estimate showed that giving circles have raised **almost \$96 million** and given **more than \$68 million** over the length of their existence².

Why did young people get involved in *AsiaNextGen*, an Asian-American giving circle in New York City? Because, says co-founder Michelle Tong, *"they really cared about something and ... really wanted to be part of something new and different. A lot of nonprofits out there target young people, but they do it in a way that is mainly social. I think there are people who want to do a little bit more with their time and money than just go to a party. When you can find those individuals, they will step up and do more."*

¹ Social Venture Partners affiliates exist in 23 cities in the U.S., Canada and Japan. Like other giving circles, SVP affiliates make grants to nonprofits in their communities. SVPs also provide intensive technical assistance and capacity building to the nonprofits with which they work. Several SVP affiliates completed our survey, and Social Venture Partners International, an umbrella organization that provides support and a network for knowledge sharing to the SVP affiliates, provided basic information about the rest of the SVPs in the U.S.

² We consider this estimate to be conservative for two reasons. (1) All estimates of giving circle donations are conservative because our data represent fewer than a third of the giving circles in our database, not to mention other giving circles of which we are not aware. (2) The 41 giving circles that provided data in 2004 but not in 2006 have, presumably, continued to raise and grant money. However, we did not extrapolate beyond the data that we had from 2004. Therefore, one could assume that these figures would be considerably higher if we had up-to-date information about each circle.

"It's a great way for people to come together and be part of a community of givers," says Beverley Francis of Next Generation of African American Philanthropists, hosted by Triangle Community Foundation in Durham, North Carolina. *"I'm talking about time, talent, and treasure."*

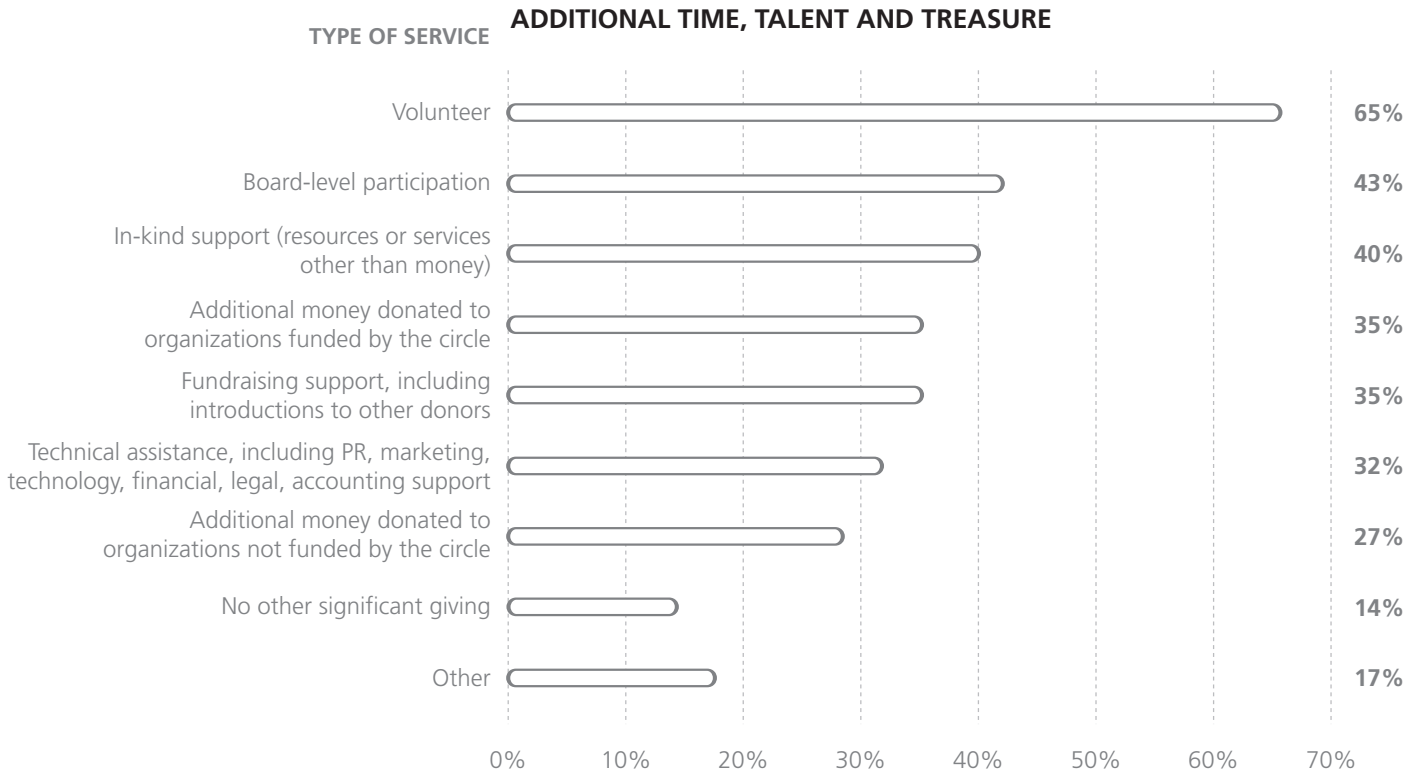
Giving circles are everywhere: The Forum's full database includes giving circles from 44 states and the District of Columbia. Giving circles from 37 states and the District of Columbia completed surveys that provide detailed information on their forms, functions and priorities.

Giving circles truly engage donors: Indeed, one of the most powerful things giving circles offer is an inspiring introduction to philanthropy. The circles in this sample alone engaged 11,721 individual donors in meaningful, hands-on shared giving.

Unlike a lone individual who simply writes a check, giving circle donors tend to become deeply involved in the work of giving through formal and experiential learning opportunities. Donors take part in discussions about issues confronting their communities. They investigate nonprofit organizations and often look beyond the larger and better-funded ones to support smaller grassroots organizations taking innovative approaches to their missions. They often conduct site visits and other forms of due diligence to make

sure their donation will be well-spent. Finally, many make a habit of following up with grantees and evaluating the impact of their circle's giving.

Giving circles encourage increased giving and active participation in society: Our survey indicates that giving circle donors offer gifts that go well beyond their contributions to the pooled fund. A third of survey respondents (35 percent) claimed that their members contribute additional money directly to organizations their circles fund, and 27 percent said their members give to additional organizations as well. Giving circle members also volunteer for community nonprofits (65 percent) and sit on boards of directors (43 percent). Some 40 percent of survey respondents told us their members provide some sort of in-kind support to community organizations, and 35 percent noted that members provide assistance with fundraising and introductions to other donors. Finally, 32 percent of survey respondents indicated that members roll up their sleeves as well to lend direct technical assistance, such as pro-bono financial, marketing or legal services.



Giving circles attract a diverse universe of donors: Because many women find shared giving and giving circles to be a welcoming, supportive and empowering gateway to philanthropy, giving circles are often thought of as a female phenomenon. Indeed, women do make up the majority of giving circle participants. However, co-ed circles and men-only circles are increasing in popularity³.

- In this sample, 81 percent of the giving circle participants were women and 19 percent were men. Seventy-seven giving circles (approximately 53 percent of the sample) were made up entirely of women, and another 12 circles reported that more than 90 percent of their members were female. This means that 61 percent of all giving circles were overwhelmingly female in composition.
- Nevertheless, participation among men is rapidly increasing. Co-ed circles made up 47 percent of the total. Men were represented in equal or greater numbers in 22 giving circles, or 15 percent of the sample. Two circles—the 79-member *Wednesday Lunch Group*, based at the Community Foundation of Jackson Hole, Wyoming, and *ADaM*, a three-person circle located in Los Angeles—were made up entirely of men.

Giving circles are, increasingly, a philanthropic vehicle that appeals to diverse racial, ethnic and tribal communities⁴. Previous Forum research found that giving circles were a key strategy for at least 18 organizations seeking to engage donors of color⁵.

- Giving circles in this sample reported that, on average, 8 percent of their donors are African-American. Nine giving circles in this sample, such as *Black Women for Black Girls* in New York City and *Black Benefactors* in Maryland, were composed entirely (or almost entirely) of black donors.
- The sample contained six circles composed entirely (or almost entirely) of Asian-Americans. On average, giving circles reported that 3 percent of their donors are Asian-American.
- Latino donors made up 2 percent of all donors to giving circles. Two circles in this sample—the *Latino Endowment Fund* in Hartford, Connecticut, and the *Latino Giving Circle* based at the Chicago Community Trust—were made up entirely (or almost entirely) of Latinos.

Giving circles appeal to donors of all ages⁶. Many circles are proudly intergenerational; they find that the interactions among different age groups are a significant source of learning for members. Nevertheless, most giving circle donors are between the ages of 40 and 65—perhaps because these individuals are likely to be established in their careers and settled in their communities.

- Giving circles reported that a majority of their members (59 percent) were between 40 and 65 years old. They said that 28 percent were between 25 and 40; 2 percent were between 18 and 25; and less than 1 percent was under 18. On the other end of the spectrum, giving circles reported that 11 percent of their donors were over 65.
- Two giving circles in this sample were made up entirely of teenage donors: the *Chattanooga Youth Giving Circle* in Tennessee and the *Teen Impact Fund* in North Carolina. Members of the Chattanooga Youth Giving Circle contribute their own money (\$500 each); the *Teen Impact Fund* receives \$10,000 from the Charlotte Mecklenburg Community Foundation each year.
- Twenty-six giving circles in this sample were made up entirely or overwhelmingly of donors under 40. Donors in this age bracket, often referred to as “next generation,” are known to be extremely busy with budding careers and families. Nonetheless, giving circles seem to appeal to younger donors because they offer a way to leverage relatively small donations in a social and networking context. In addition, the do-it-yourself nature of giving circles may attract donors who feel alienated from mainstream philanthropy.

Giving circles attract donors of all wealth levels: The concept appeals to individuals from all walks of life because the groups are easy to start and customize to the interests and giving capacities of very different donors.

Some circles set their giving thresholds very low so they can be accessible to donors without significant disposable income and to young people just embarking on careers. Giving circles with annual giving requirements may ask for as little as \$150 per year; event-based circles may invite donors to give just \$5 or \$10 per event.

Other giving circles seek a higher-wealth cadre of donors by requiring a high monetary commitment—more than \$100,000 per year in one case. In our study sample as a whole, the average donation per year was \$2,809. The most common donation level was \$1,000.

³ These averages and percentages were determined based only on the sample of giving circles (86% of the total) that provided data about the gender composition of their circles.

⁴ These averages and percentages were determined based only on the sample of giving circles (84% of the total) that provided data about the racial and ethnic composition of their circles.

⁵ Kristin Lindsey, Racial, Ethnic, and Tribal Philanthropy: A Scan of the Landscape, Forum of Regional Associations of Grantmakers, 2006.

⁶ These averages and percentages were determined based only on the sample of giving circles (78% of the total) that provided data about the ages of their circle members.

YOUNG PEOPLE + GIVING CIRCLES = LONG-TERM INVESTMENT.

As passionate as they may be about giving back to their communities, donors under 25 sometimes find it difficult to convince the philanthropic community to take them seriously. Gather and Give: Let's Eat—a giving circle in Washington, DC, whose members are all under the age of 26—was turned down by several potential sponsors before finding one that would agree to host the circle. Says Katy Love, one of the circle's founders: *"It's important for those of us in our early and mid-20s to be engaged in philanthropy, particularly at the local level. Not only will we 'get in the habit' of being donors (and our donations will only grow), but we also want to learn about issues and volunteer. Those three important pieces have guided our giving circle and will make our philanthropy more strategic. It's about more than just the money!"*

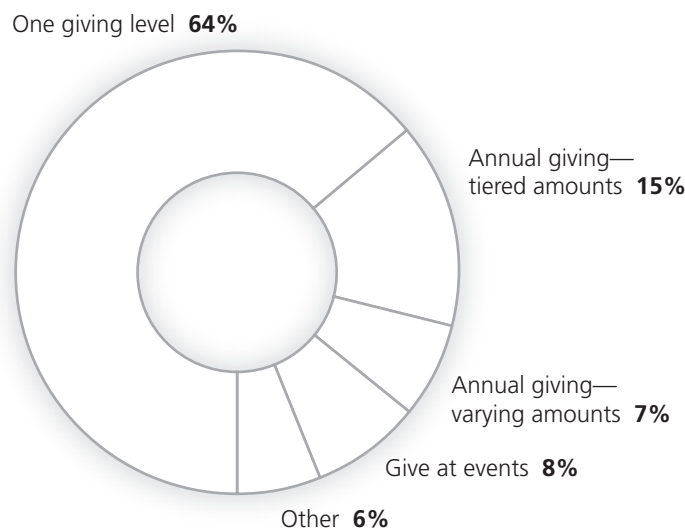
Giving circles are commonly thought of as having one giving level. In her seminal handbook *Creating a Women's Giving Circle*, Sondra Shaw-Hardy wrote, "Giving circles work so well because everyone is giving the same amount and no one is, as one woman said, 'The Ten-Ton Gorilla.'"⁶ Many circles believe that a single, consistent giving level is essential to a safe environment in which every voice has equal weight.

In fact, this study found that a majority of giving circles surveyed did stick to the one-giving-level model; 64 percent of respondents indicated they have one giving level that all donors must meet or exceed.

However, 15 percent had a tiered model of giving with multiple giving levels. Another 7 percent had no set donation levels and instead allowed donors to decide how much they are willing to give. An additional 8 percent asked for donations at events throughout the year, where donors gave varying amounts.

Most giving circles have formed since 2000: Giving circles follow an age-old formula with roots in ancient and worldwide traditions of mutual aid and collective social action. Nevertheless, most giving circles as we think of them now originated quite recently⁷. The overwhelming majority of circles in our sample (88 percent) were formed since the year 2000. Only six (4 percent) were created before 1998. (The oldest giving group in our sample, the *Spinsters of San Francisco*, has existed for more than 75 years.)

FINANCIAL CONTRIBUTION



To be as inclusive as possible, the Women's Giving Circle of Howard County—a large giving circle in Maryland—established a wide variety of giving levels. In particular, the members wanted to attract women from all generations in the belief that this would be good for their community both now and in the future. The circle's five distinct giving levels are: Diamond: \$5,000 or more; Emerald: \$2,500–\$4,999; Sapphire: \$1,000–\$2,499; Ruby: \$250–\$999; and Amethyst: \$100–\$249.

⁶ These averages and percentages were determined based only on the sample of giving circles (78% of the total) that provided data about the ages of their circle members.
⁷ Sondra Shaw-Hardy. *Creating a Women's Giving Circle: A Handbook*. Women's Philanthropy Institute, 2000. p. 8.
⁸ The data from this study show an overwhelming majority of circles have formed since 2000. Although we believe this is because more giving circles are forming, it could be a result of sampling bias, whereby newer circles were more likely to complete the survey.

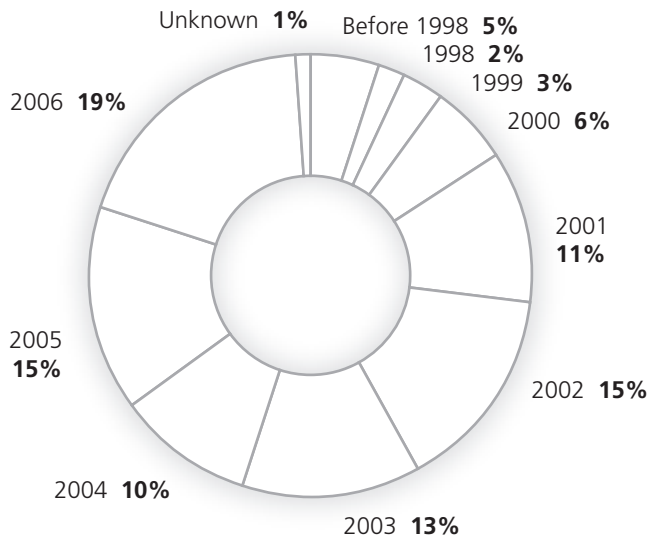
These figures are consistent with—and more pronounced than—findings from the Forum study published in early 2005, in which 80 percent of circles were found to have been created since 2000. Indeed, 33 percent of the giving circles in our current sample were formed in 2005 or 2006.

Even as you read this paragraph, it is likely that somewhere a new giving circle is being created!

Giving circles are starting to mature: More than a quarter (27 percent) of the circles in our sample have been through at least five rounds of grantmaking, 38 percent have been through between one and four rounds, and 19 percent are in their first round. Another 12 percent described themselves as start-ups—not yet granting money, but recruiting members, figuring out how they will operate, and making decisions about funding priorities.

The fact that so many giving circles have completed multiple rounds of grantmaking is significant. It suggests that even after the initial excitement of a start-up subsides, giving circles can sustain the model of shared giving and collective decision-making.

WHEN CIRCLES FORMED



IMPACT 100 began in Cincinnati in 2001 as the brainchild of Wendy Steele, who brought her idea to life with the help of friends and business associates. Five short years later, the simple yet powerful idea of 100 (or more) women each giving \$1,000 per year has caught on like wildfire. *IMPACT 100* groups now thrive in Indianapolis, Austin, San Antonio, Pensacola, and Owensboro, Kentucky. Read more about *IMPACT 100* at www.impact100.org

PART II: Giving Circles Day to Day: Structure and Operations

Most questions about giving circles elicit the same answer: It depends! By and large, giving circles develop independently and take unique forms.

Some are patterned after other successful circles, and others are part of a network of similarly structured groups. However, even though giving circles are often inspired by another circle's success, most of the ones in this study were created from scratch and have crafted their own distinct ways of working. This made for great variety in giving circles' characteristics, such as how large they are and how they are structured, how much money they require their donors to contribute, how often they meet, their funding priorities, and their educational offerings.

IN THE BEGINNING: HOW GIVING CIRCLES START

Giving circles, overwhelmingly, happen the same way as any other endeavor: Someone has an idea and discusses it with friends, excitement builds, and—voilà!—the new organization is born. In fact, when asked what was responsible for their group's creation, nearly all (94 percent) of the giving circles in this sample reported that an individual with an idea was a "significant," "very significant" or "most significant" catalyst.

Giving circle founders seem to be motivated primarily by an interest in improving their communities; 96 percent of respondents listed concern about community needs and desire to make a difference as a significant factor. Other factors that sparked the

In a large-group giving circle, flexibility and a sliding-scale time commitment can be keys to success, according to Jacqueline Caster, founder and president of the *Everychild Foundation* in Los Angeles, a large-group giving circle/formal organization with 225 members. She explains: *“Our members love the fact that they are not required to serve on a committee, yet they all have equal status and an equal vote.”*

development of giving circles included a desire to leverage resources and give away more money (88 percent), and an interest in encouraging new donors (84 percent).

As a concept, giving circles are easy to understand and immediately appealing. Learning of another’s success influenced the creation of 59 percent of the giving circles in this survey. A suggestion from a community foundation or other community organization was a significant catalyst for another 35 percent. This, too, is not surprising, as community foundations and other organizations increasingly view giving circles as a means to reach new donors or to engage existing ones in fresh ways.

Fewer giving circles cited information from a speaker, workshop, newspaper article or published resource as a dominant inspiration for their creation. And, interestingly, very few giving circles in this survey said they morphed from another group—such as a book club—that wanted to add a new dimension⁹. Giving circles, it appears, are still both home-grown and formed expressly to be instruments of philanthropy and donor education.

GOVERNANCE

Giving circles operate in numerous ways. In our sample, we found that nearly half (46 percent) had both a board and committees that were charged with tasks such as recruiting members, planning educational programs, or selecting potential grantees for the entire membership to consider. A small number (11 percent) had a board or governing body of some sort but no additional committees. And 9 percent said they did something different altogether. Some had no committees or board but instead had rotating co-chairs. Another wrote that the circle’s founding members guided the giving circle.

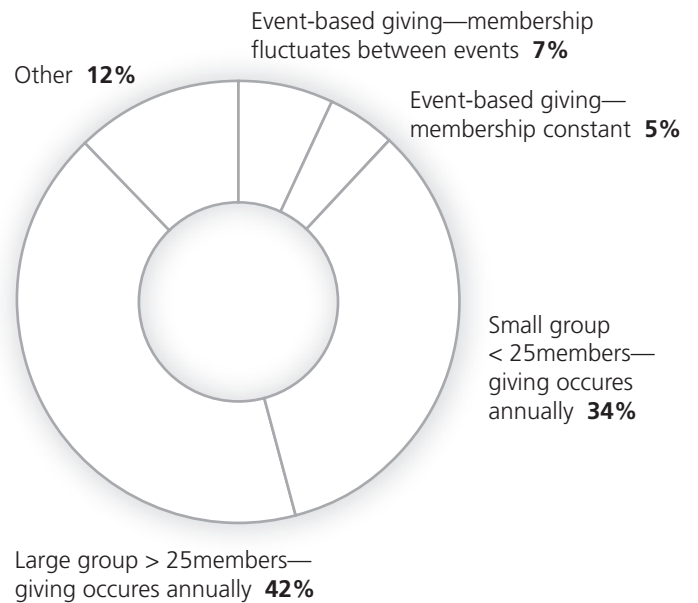
It is interesting to note that 34 percent of circles had a flat structure, in which all members took equal responsibility for guiding the circle.

MEMBERSHIP STRUCTURE

Giving circles range from tiny and informal to huge and complex¹⁰. Most in our sample had consistent memberships and give money annually. Of these, 34 percent characterized themselves as *small-group giving circles*. These tended to fit the traditional image of a giving circle as informal and intimate; in fact, they had fewer than 25 members, and the majority (61 percent) had a flat structure in which all members share responsibility for the circle’s direction. Decisions were made collectively rather than by a board, steering committee or other discrete group.

At the other end of the spectrum, 42 percent of our sample described themselves as *large-group giving circles, or formal organizations*. Although we, for the purposes of this study, use the term “giving circle” to encompass the wide variety of shared giving vehicles, many of these large groups thought of themselves differently, preferring terms like “foundation” or “fund.” These groups had more than 25 members—and often many more. Since they were generally too large for efficient consensus-based decision-making, 77 percent had a more formalized structure with

GIVING CIRCLE DONOR STRUCTURE



⁹ Terminology may play a role here, too. There may be groups that operate like giving circles but do not identify themselves as such.

¹⁰ Dr. Angela Eikenberry, a professor at Virginia Tech, classified giving circles as small group, loose network or formal organization giving circles. We have used a similar classification here and have noted differences where they exist.

a board or governing body and multiple committees or working groups. This structure allowed members to decide how much or how little they wanted to be involved in the work of the circle. Serving on the grantmaking committee, for example, requires a large commitment of time and energy. Although some members are eager to give of themselves in this way, others may decide they have time only to attend a few meetings and to vote.

Another 12 percent of this sample considered themselves *event-based giving circles*. Donations were collected primarily—or exclusively—through several events each year. Within this 12 percent, slightly fewer than half had a fixed membership and slightly more than half had a membership (or donor base) that fluctuated from event to event, creating a loose network of givers¹¹.

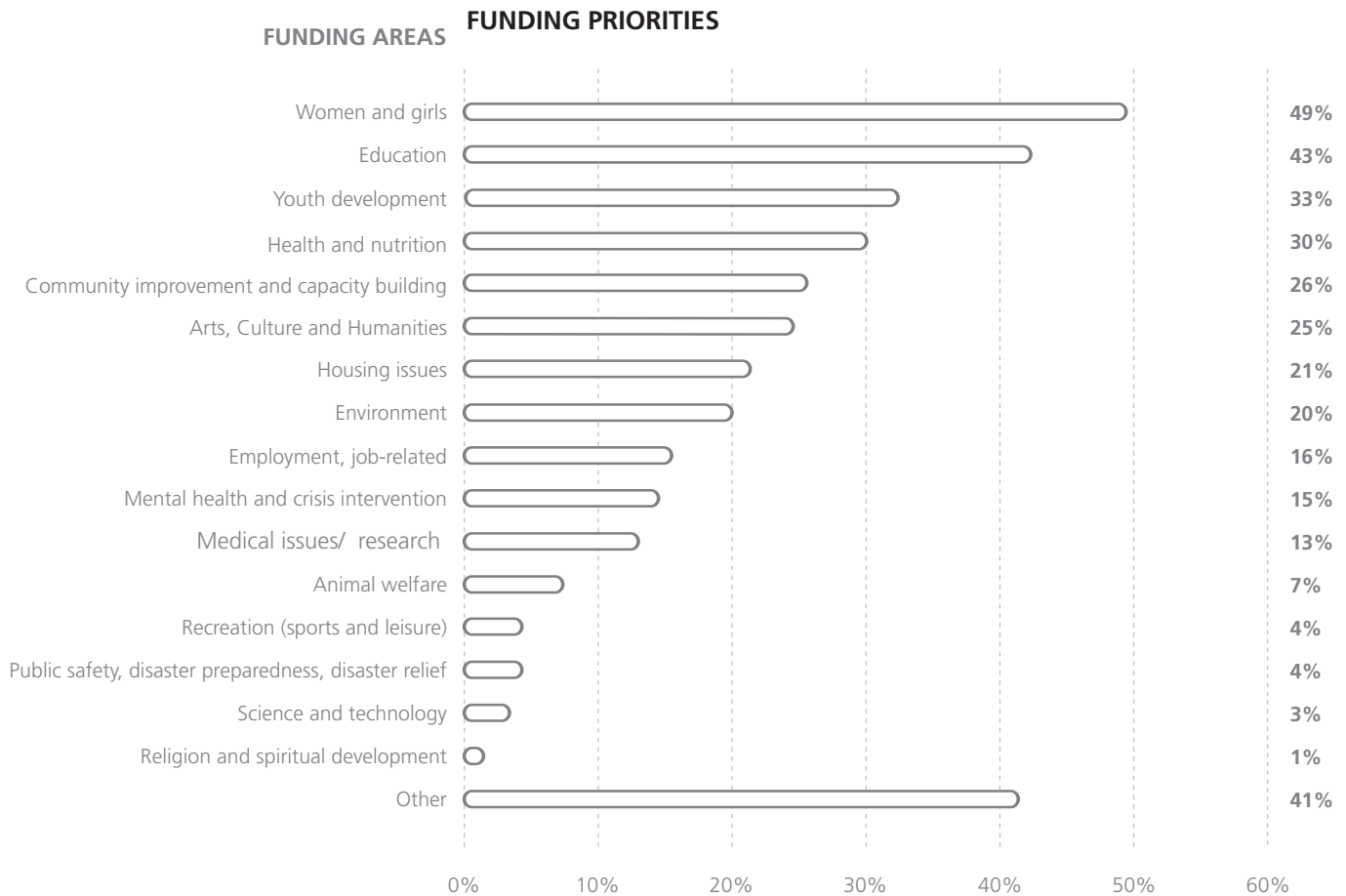
Yet another 12 percent indicated that they do not fit the categories that we provided. Among these were circles that looked like

large-group giving circles but gave money every other month rather than annually, and circles that combined annual giving and fixed membership with periodic events to raise money from non-members in the community.

GRANTMAKING

Each giving circle has to make numerous decisions about how to give away the money members donate. Not only do they need to decide what kinds of organizations and issues their pooled money will fund, but they also have to determine how their funding decisions will be made.

Where to fund: We asked giving circles to tell us where, geographically, they fund and invited them to choose multiple responses. Our respondents said they did most of their grantmaking in their own communities. In this study, 113 giving circles (78 percent of the sample) made at least some of their grants within the



¹¹ Eikenberry (2005) identified 49 loose network giving circles, or 26% of her sample. The discrepancy in these data can be easily explained: Bread for the Journey and Womenade—both of which have multiple chapters across the country—accounted for 25 (Womenade) and 19 (BFJ) loose network giving circles. Our survey did not elicit a strong response from either network, and, as a result, we do not include them in our survey data.

Small local organizations are attractive to giving circles—and especially smaller giving circles—because a modest donation can have a proportionately larger impact. A case in point comes from the 25-member *Red Heart Society* in Omaha. At each bimonthly meeting, the group hears a presentation from the executive director of a local nonprofit. Members' \$100 donations go directly to that organization with no strings attached. For the small organizations the *Red Heart Society* supports, a gift of \$2,500 toward a special program or piece of equipment makes a big difference.

parameters of their own city, town, rural area or county. Another 9 percent funded within their state, and four percent indicated that they funded within a multi-state region. Only 6 percent made grants nationally. Seventeen giving circles (12 percent of survey respondents) indicated that they made grants internationally. Giving circles that funded internationally tend to do so exclusively.

What to fund: Giving circles make grants to address diverse issues. About half of the giving circles in this study placed a high priority on organizations that serve women and girls. This is not surprising, since women make up the majority of giving circle members. Education, youth development, health and nutrition, community improvement, and arts and culture were other top funding areas.

Types of organizations: Studies of giving circles, including work done by Eikenberry (2005), have found that giving circles fund small, local grassroots organizations that might seem “risky” or “innovative.” In her most recent paper, *Giving Circles and Fundraising in the New Philanthropy Environment* (2007, unpublished manuscript), Eikenberry affirmed that funding recipients tended to be small, locally based groups. Many were also fairly new—less than five years old—with young founding executive directors.

The giving circles in this sample indicated that they supported small grassroots nonprofits and well-established community organizations with demonstrated track records in approximately equal numbers (29 percent and 30 percent of the sample, respectively). Another 9 percent of giving circles surveyed told us that their funding went to individuals. Two giving circles funded only start-up organizations, and one limited its funding to national organizations. A substantial number (30 percent) of the sample indicated that their funding didn't fit neatly into any of these categories. These circles funded some combination of grassroots and well-established organizations, or their funding went to individual people or different programs within a single organization (such as a university).

Identifying organizations to fund: Although most communities have a rich array of nonprofits doing important work, not all such organizations are necessarily equally visible or prominent. Indeed,

smaller, grassroots-based nonprofits often lack the marketing budgets that enable larger groups to attract attention and donors.

Before a giving circle can make grants, it needs to identify organizations that are good candidates for funding. How these organizations are identified differs from circle to circle. Many use multiple strategies to select a pool of potential grantees.

We asked giving circles to tell us all of the ways that they identify organizations to fund¹². Two-thirds of the giving circles in this study (67 percent) identified organizations at least in part through word-of-mouth and suggestions from members. Just under half (45 percent) used a formal request for proposals, which they sent to eligible organizations or posted on their Web sites. About a third received recommendations about potential grantees from their host organizations (30 percent) and/or community members who are not part of the giving circle (25 percent). Others identified potential grant recipients from media stories about the work of worthy organizations.

A few giving circles indicated that they also learned about organizations from their local regional association of grantmakers; an affinity group of grantmakers (such as Hispanics in Philanthropy); an online database, such as *Idealist.org*; or a print publication, such as the *Catalogue for Philanthropy*.

Decision-making: Once prospective organizations have been selected—whether by word-of-mouth, requests for proposals or some other means—giving circles must arrive at a final decision about which ones to fund. Many of the giving circles surveyed (38 percent) decided by consensus; all members discussed and agreed on which organizations they should support. In 34 percent, each member cast a vote, and majority ruled. Often, a grantmaking committee first narrowed the field of applicants to a manageable number.

A small percentage of the circles responded that they delegated the final decision-making to a subset of members. And in 4 percent of the giving circles surveyed, members voted with their dollars, a system in which each member decided how much of his or her money would go to each organization under consideration.

¹² As a result, the totals add up to more than 100%.

GIVING CIRCLES' INTERNATIONAL IMPACT¹³

For some giving circle members, funding international causes provides a stimulating way to learn about global issues and make a significant impact with their money. However, funding internationally offers challenges as well as rewards.

A major challenge is the difficulty of ascertaining the legitimacy and effectiveness of an organization in a distant country. In an article for *Alliance* magazine, Executive Director Marc Manashil of the Clarence Foundation—a California-based organization that sponsors giving circles focused on various international issues—explained the ambivalence this way: “[It] is not surprising that many prospective donors feel overwhelmed by the magnitude of global problems today and are unsure of how or where to begin. Others remain skeptical as to whether contributions overseas will reach their intended recipients owing to perceptions about corruption and waste.”¹⁴ As a result of this uncertainty, many giving circles channel their funding through organizations in the U.S. that already have relationships and expertise in the international arena.

A major reward is the chance to explore international issues and feel confident that donations are benefiting reputable organizations doing important work. “Giving circles,” said Manashil, “seek to confront these common barriers to global giving by enabling members to break down overwhelming global challenges into more manageable, bite-sized pieces.”

Dining for Women, an event-based giving circle that originated in South Carolina, donates the proceeds from monthly potluck dinners to international organizations. The simple concept has spread rapidly: There are now more than 70 chapters of *Dining for Women* across the United States, in Australia and in Italy. In the last year, *Dining for Women* chapters donated more than \$48,000 to promote the physical, emotional, educational, and economic welfare of women and children worldwide. To ensure that donations are used wisely, *Dining for Women* funds only international organizations affiliated with U.S.-based organizations through which the group can channel donations.

Just how important is the social aspect? “[T]he relationships that we’ve built up as friends and supporters...have in one case actually become more important to us than the granting itself,” says Weston Millikin of the *Queer Youth Fund* and *ADaM* giving circle in Los Angeles. “The granting becomes an excuse to come together and gives us the opportunity to connect and have relationships with each other, and I think that’s been a great thing.”

BEYOND GRANTMAKING: EDUCATION AND COMMUNITY-BUILDING

Any giving circle member will tell you this, emphatically: *There’s more to a giving circle than making grants.* Giving circles offer their members a community of diverse yet like-minded peers with whom they can leverage their dollars to make substantial gifts. Whether formal or informal, the circles provide a safe and stimulating learning space and create opportunities to network and socialize. Often members see the social aspect as one of their circle’s most important functions—the lure that keeps everyone coming back.

Learning together: Many giving circles in this sample provide educational programs for their members. Some of these programs keep members abreast of important community issues and active nonprofits. In fact, 65 percent of the giving circles offer workshops and speakers about community issues. In addition, 56 percent provide speakers or workshops about philanthropy and giving; for example, a speaker might explain how to instill a philanthropic ethic in children.

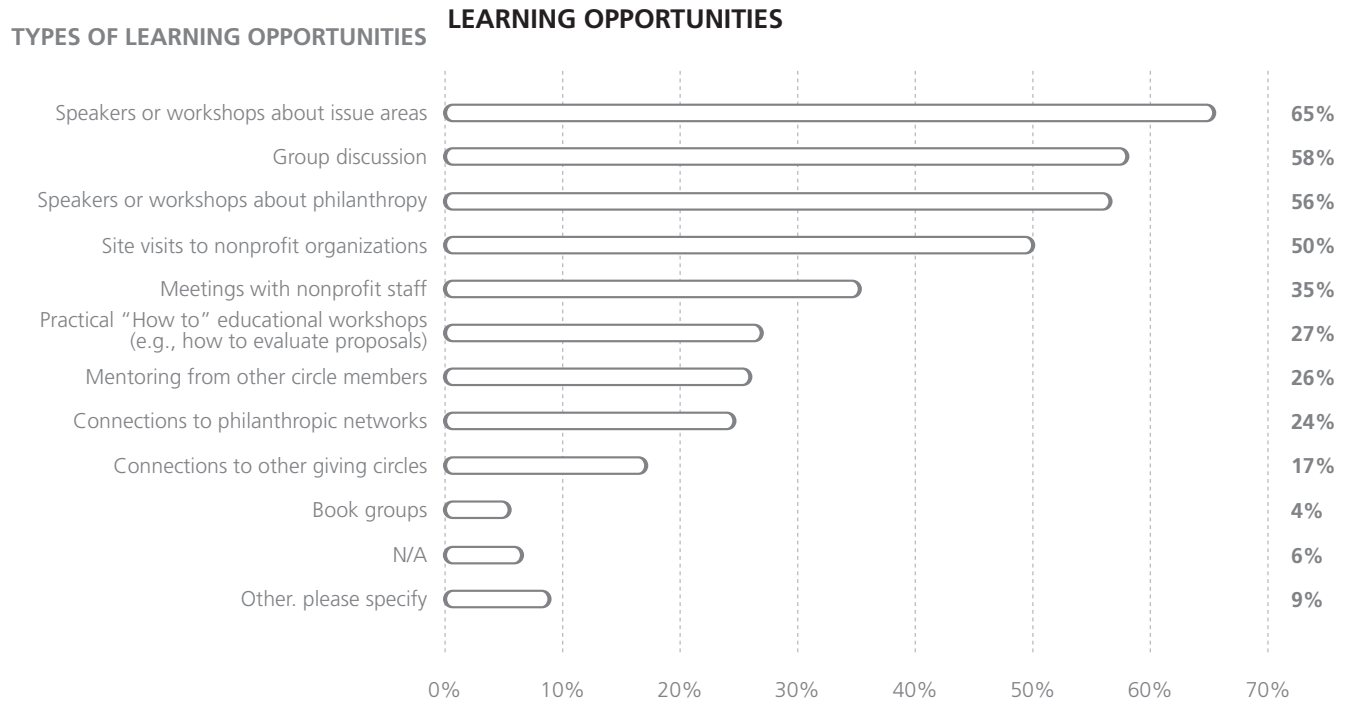
Although most members simply learned by doing, when it came to the nitty-gritty aspects of grantmaking, about a quarter of giving circles (27 percent) also offer their members how-to workshops on practical topics such as how to evaluate proposals or read financial statements.

Nevertheless, much learning takes place informally. More than half (58 percent) of giving circles in our sample used group discussion—often casual—as a primary tool for member learning. Site visits to nonprofit organizations were also common. Exactly half (50 percent) of giving circles indicated that they paid visits to better understand the organizations they consider, and 35 percent held meetings with nonprofit staff to learn more about the organizations. Several smaller giving circles simply asked members to research an organization under consideration and provide the group with a short summary.

Finally, some giving circles used more intimate learning opportunities—such as mentoring or book groups—to give their work both social and educational components. Although most giving circles seemed to operate independently, some did have connections to

¹³ This report does not attempt to document the enormous phenomenon of Hometown Associations (HTAs), the collective giving that occurs on behalf of immigrant communities’ home towns. For Mexico alone, 623 HTAs were identified in 2003. In 2005, according to research by Millennia Consulting, LLC (2006), each club sent between \$10,000 and \$20,000 to its hometown in Mexico, amounting to \$22 million when combined with contributions from the Mexican federal, state and municipal governments.

¹⁴ *Alliance* Volume 9, Number 4, December 2004.



other giving circles (17 percent) or to the philanthropic networks in their communities, such as regional associations of grantmakers (24 percent), which provided them with additional learning opportunities.

Building community: Previous research on giving circles (Eikenberry, 2005; Rutnik & Bearman, 2005) emphasized just how much giving circles seem to build community. They do so on both macro and micro levels: They connect donors with the communities in which they live, often inspiring members to volunteer for nonprofits, join boards of directors and get involved in local government. At the same time, they develop new networks among people who develop trust in and commitment to one another. After all, conversations about money and community needs go to the heart of deeply held beliefs and values.

GIVING CIRCLES ON CAMPUS¹⁵

As giving circles have expanded nationwide, some universities have adopted—and adapted—the model for use with their own donors and alumni. Although university giving circles generally fund campus-related needs, donors choose the projects they want to support.

How these giving circles work varies greatly. The *University of Arkansas' Women's Giving Circle*, which recruits members and distributes funds campus-wide, is part of the annual fund. At the University of Minnesota, the *Women's Philanthropic Leadership Circle* is specific to the College of Education and Human Development. The University of Wisconsin-Madison has an annual giving circle with a \$1,000 threshold; this circle is made up of the members of UWM's *Women's Philanthropy Council*, each of whom has given at least \$25,000 to the university.

Giving circles within universities require more staff assistance than community-based groups, says Sondra Shaw-Hardy, who has worked with giving circles across the country. Because most universities are in the midst of multi-million- or even billion-dollar campaigns, administrations may be reluctant to devote staff and resources toward a giving circle that will result in only several thousand dollars in contributions. "It is difficult for them to understand 'growing philanthropists' when the pressure is on for each development officer to raise millions of dollars," Shaw-Hardy says.

Nevertheless, several universities have successfully used giving circles to engage and motivate donors who want to give back to their alma maters in a more hands-on fashion.

"We are good friends, and we are learning a lot. So, even if we didn't have a speaker, we'd have fun getting together for lunch."—Carol Russell of the *Red Heart Society* in Omaha

¹⁵ Information on university giving circles provided by Sondra Shaw-Hardy, personal communication, February 2007.

THE ROLE OF THE HOST ORGANIZATION

Although giving circles have many functions, chief among them is distributing money in the form of grants to the community. As a result, one of the biggest questions new giving circles ask themselves is: Where will we keep all this money?

Characteristically, different giving circles had different answers. But most fell into three basic categories.

1 Hosted giving circles: The majority of the giving circles in this study (68 percent) had a host organization that, at the very least, received the donors' contributions and cut the checks to the recipient organizations once grant decisions had been made. Hosting relationships can be quite elaborate, complex and mutually beneficial; these warrant further discussion that will be featured in another report¹⁶.

Of hosted giving circles, more than half (52 percent) kept their money in a donor-advised fund at their local community foundation. (Community foundations are geographically based public foundations that exist to improve the quality of life in a given region.) Giving circles were also hosted by other public foundations, such as women's foundations or Jewish federations, private foundations, nonprofit organizations or associations, or universities.

2 Serving as their own hosts: Approximately 12 percent of the giving circles had their own 501(c)(3) status and served as their own hosts. Because these circles were incorporated as nonprofit organizations, their donors' contributions were tax-deductible, and the giving circle could write its own checks to grant recipients. Giving circles with nonprofit status tended to be large; often they had staffs of their own to manage the complexities of their finances and operations. Our survey also found that these self-hosted giving circles tended to have higher threshold levels of giving: Most required a contribution of more than \$1,000 annually.

3 Un-hosted giving circles: Some groups (20 percent of our sample) had no host organization and no 501(c)(3) nonprofit status. Most (although not all) of these circles were very small, with fewer than 25 members. Some, like the *Boston Area Tzedakah Collective*, kept their pooled funds in a bank account and did not get tax deductions for their contributions. Others—such as the three-man *ADaM* giving circle or the 15-person *Giving Back Gang* in Shaker Heights, Ohio—simply wrote individual checks directly to the nonprofits they decided to fund. Each donor received a separate acknowledgment from organizations, and no host organization was needed.

HOST RELATIONSHIPS

Organizations decide to host giving circles for many reasons, including a desire to serve the community in new ways and to encourage citizen innovation. Some hosts also initiate giving circles as a way to reach out to new donors or provide current ones with more opportunities to learn and get involved. But as rewarding as hosting can be, most find that it's often more time-intensive than they imagined, depending on the level of service they provide.

For some host organizations, services may be limited to a few major functions. Because most hosts are 501(c)(3) nonprofits, they enable circle members to make tax-deductible donations. They usually also hold the grantmaking monies and cut the checks to the funded organizations at the end of the giving circle's grantmaking cycle.

For other host organizations, the relationship with giving circles is much deeper and more complex. From our sample of giving circles, we learned that services could also extend to offering educational opportunities, managing the membership database, and providing a location for meetings and materials storage. In addition, hosts might promote giving circles in their materials, document giving circle activity, and assist with any legal questions that arise in the course of the giving circle's work.

However, giving circles told us as well about services that hosts generally did not provide for them. Very few hosts recommended organizations for funding, recruited members for giving circles or ran giving circle meetings. Usually, these functions were performed by giving circle members themselves.

The relationships between host organizations and giving circles are occasionally complex, often mutually beneficial, and sometimes frustrating. In a case study called "Growing Philanthropy through Giving Circles: Lessons from Start-Up to Grantmaking," Rutnik and Beaudoin-Schwartz (2003) provided insight into the challenges and opportunities confronted by two community foundation hosts. A detailed exploration of a wide range of hosting models, from very basic to extremely intensive, will be available later in 2007 in the Forum's upcoming report on giving circles and host organizations.

¹⁶The Forum's upcoming report on hosting relationships will be available in summer 2007.

Part III: Special Lessons from Long-running Giving Circles

Within our survey sample, 42 giving circles had been operating for five years or more. The *Spinsters of San Francisco*, an event-based shared giving group, boasted more than 75 years of operation. The rest of the long-running groups we studied were founded after 1995.

We couldn't help wondering: What special challenges confront giving circles once they have matured and moved beyond the initial excitement of the first few years? How have these circles evolved so they can hold members' interest and remain vibrant? What advice can they offer other, newer, giving circles?

To explore these issues in the course of our research, we included special survey questions for long-running giving circles. In addition to reviewing survey data from our 42 giving-circle respondents, we interviewed members and staff from eight mature giving circles of diverse sizes and structures.

LEARNING TO ADAPT

Inevitably, giving circles—like any organization—grow and change as they develop and learn from their experiences. For some, the changes are quite deliberate, resulting from careful consideration and formal strategic planning. For others, change happens organically over time, as challenges arise and need to be addressed. Change occurs on several levels: to the way the circle handles grantmaking, to the circle's operations, and to the circle's educational and social offerings.

Changes to grantmaking—more, more, more!: As giving circles mature, they tend to want to give more money. Among the mature circles we studied, 50 percent had increased the amount of money they awarded each year, and a sizable portion (38 percent) had increased the number of grants they gave. The circles increased their grantmaking in three main ways:

- **Adding members:** Most of the giving circles in this sub-sample (a substantial 81 percent) had grown by adding members—and thus more donations—to their rosters. Increasing membership also boosted the number of people who got to share in the circles' social, networking and learning opportunities.

Of course, giving circles lose members, too, for all sorts of reasons. Older members may retire and relocate to warmer climes for all or part of the year. Younger members may drop out because of job-related moves, graduate school, or the competing priorities of work and family. This means that, for many circles, ongoing recruitment is required simply to maintain the desired number of donors, let alone raise that number.

- **Increasing the donation amount:** Giving circles can boost the giving level for all donors or add new tiers of giving to inspire some donors to give more. They can also create new opportunities for donors to contribute, as the *Washington Women's Foundation* did recently when it launched a \$2 million endowment campaign.
- **Seeking outside funds for administration or grantmaking:** Nearly a quarter (24 percent) of the long-running circles had solicited and received outside funding. This external support added to their grantmaking pool, built their capacity, or offsets administrative costs so that more of their contributions could go toward grants. Several circles reported that their grantmaking funds were matched by anonymous individual donors or foundation and corporate partners. Another wrote that the giving circle had received an administrative grant from the local community foundation. Others said they used event sponsorships to offset the cost of hosting fundraising or educational events for their donors.

Changes to grantmaking—refine, prioritize, adapt: Giving more money is not the only way to change grantmaking. Some circles also change their funding priorities and the ways that they decide which organizations to fund. About 30 percent of the mature giving circles indicated that they had made some change to their funding process and/or priorities over the years.

Sometimes the need for change becomes apparent gradually. Out of the stacks of applications reviewed for three years running, one charity's cause kept rising to the top for the *Spinsters of San Francisco*—an event-based shared giving organization composed of unmarried professional women in the Bay Area. It didn't seem fair to make other candidates go to the trouble to apply for funding when members already decided to continue to fund its current grantee. So the *Spinsters* recently amended their bylaws to allow them to fund the same charity for multiple years. This change lets the *Spinsters* devote more energy to raising money for a multi-year commitment to the charity of their choice.

For some, such as the *Three Generations of Women Giving Circle* in Traverse City, Michigan, this meant a commitment to gradually making larger grants to fewer organizations. For the *Queer Youth Fund*, based at the Liberty Hill Foundation in Los Angeles, this meant including Community Collaborators—activists in the field of gay and lesbian youth services who were not donors to the circle—in site visits to the organizations. The *Full Circle Fund*, a large shared giving organization based in San Francisco, was considering adding a fourth giving circle to the three currently in existence because of member interest in environmental issues.

Structural changes: Giving circles adjust their structures and the ways in which they operate by adding or dropping committees, joining or leaving a host organization, adding paid staff, and undergoing transitions in key leadership roles. Of the mature giving circles surveyed, 10 of them (26 percent) had added paid staff as they grew. Approximately half had made changes to or added committees as new needs and interests had arisen.

When a giving circle matures, it occasionally finds that its relationship with its host organization is no longer a good fit or that it is ready to strike out on its own. Ten of the giving circles in this sample (23 percent of the mature circles surveyed) sought and received their own 501(c)(3) status. Others (41 percent) moved in the opposite direction and decided to partner with host organizations.

Many long-running giving circles reported that strategic planning—whether formal or informal—had been an important aspect of their growth and development. Of the mature giving circles, 22 (56 percent) had conducted some type of formal strategic planning, often with the help of an outside facilitator. Strategic planning had ranged from annual retreats to one-time events. As part of the strategic planning process, giving circles reported that they reviewed and revised their processes, structure and mission, and established short- and long-term goals. Formal strategic planning was more common among the larger giving circles/formal organizations. Of the nine long-running small-group giving circles, only two reported that they have conducted strategic planning.

Changes in educational and social offerings: Over time, long-running giving circles get smart about what members need and want, and adjust their offerings accordingly. More than half (60 percent) of the mature giving circles expanded both their educational and social offerings; a much smaller number found that they actually needed fewer of these programs than they had originally imagined. Some giving circles (14 percent) added volunteer components and/or opportunities for members to involve their children.

Some long-running giving circles offer specific programs to keep their most-experienced members—many of whom end up in leadership positions—engaged and stimulated. The circles in this sample offered special educational programs (15 percent), special volunteer opportunities (15 percent), or specific committees (10 percent) just for experienced donors. Some experienced members served as mentors to newer giving circle members, either formally or informally. However, 51 percent of the mature circles reported that they did nothing special to engage their most experienced members.

Instead, experienced members often take it upon themselves to contribute back to the giving circle in new ways. Experienced members of the *Full Circle Fund* in San Francisco often donate their time to supporting and improving the organization itself, in addition to or instead of working with one of its three giving circles. At the *Washington Women's Foundation*, a group of 15 women decided to raise a \$2 million endowment for the organization. Although they thought it would take three years to reach their goal, thanks to their commitment and fundraising expertise, they raised the money in only 18 months!

The *Boston Area Tzedakah Collective* is one of only a handful of giving circles that has scaled down its activity over the years. When the circle was founded by graduate students in Boston University's MBA program, it was a model of strategic planning. According to founder Sarah Feinberg, *"At the beginning, we created frameworks, diagrams, a mission statement. During our first few years, we had an intricate research process around a particular issue. But as time passed and we all got busier with our careers and personal lives, we realized that we needed to simplify our model or we wouldn't have the time to continue. Now, at each meeting, someone brings information about a local nonprofit and in the spring we vote on which one we want to fund. This new system has re-energized our group."*

THE CHALLENGES OF LONG-RUNNING GIVING CIRCLES

Inevitably, problems do crop up even in successful, long-running entities. The research uncovered five broad challenges that long-running giving circles face.

1 Ensuring funding and sustainability: Giving circles' administrative costs vary widely. Some circles have virtually no expenses because their participants are volunteers who donate all work and materials. Most, however, have at least some expenses, ranging from the modest cost of letterhead to the substantial expense of maintaining an office and staff.

Giving circles are highly sensitive to the fact that members want their donations to go directly to grants—not administrative overhead. This poses a problem with sustainability.

Long-running giving circles address sustainability in a variety of ways. Although some host organizations are willing to donate services because giving circles are such a valuable part of their work, most cannot afford to fully subsidize their giving circles forever. To raise money for administration, some circles require an additional contribution from each member, above and beyond the donation amount; others request a contribution but make it voluntary. Giving circles that are hosted often pay either a flat fee or a percentage of their total pooled fund in exchange for administrative services.

A few giving circles seek additional funding for administration from local foundations or donors, but such funding is generally not sustainable over time. Others seek sponsorships from local companies to offset the costs of events and educational activities.

In interviews, representatives of long-running circles advised newer circles to consider potentially divisive sustainability issues early on. For example, how big does the circle want to grow? How much money will it need for administration? How much volunteer work will it require to stay afloat? Clear guidelines at the start can help make later conversations about sustainability smoother and more productive.

2 Recruiting new and more diverse members: Attracting new members is the main concern of long-running giving circles. Half of the mature circles in this sample listed this as their top priority; 88 percent claimed that it was “important,” “very important” or “the highest priority.” For many, the need was simply to recruit more members to replace those who move or drift away. For others, the challenge was to grow the circle's membership to its desired level.

Several giving circles wrote that diversifying their membership was their most important goal. Some were working to recruit members of other races and ethnicities. Other circles commented that reaching younger members seemed crucial to their sustainability. According to one anonymous survey respondent: “Our current challenge is engaging the next generation to make gifts to the circle...We have done well with the pre-baby boomer memberships and for the most part, the oldest boomers have also given. It is those donors at the tail end of the boomer generation and below in age that we will now need to focus our efforts on.”

3 Fitting into the crowded lives of current members: Hand-in-hand with recruiting new members comes the challenge of retaining current ones with busy lives. As one member wrote in the survey: “We are a small group of busy individuals. Simply finding time is always the biggest challenge!”

Experienced circles sometimes struggle to balance intensity and flexibility. On the one hand, they need to provide members with lots of opportunities for leadership development, learning and growth. On the other hand, they need to make minimal demands on members who have time to donate, vote and nothing else. The most successful giving circles find ways to make themselves integral to members' lives so activities don't seem like a burdensome “extra.” According to Lisa Finkelstein, program director of the *Full Circle Fund* in San Francisco, “[For] a lot of our members, even as they get busy and have families, their fun is networking and being in the community—so that's why they stay involved.”

4 Measuring and growing impact: As giving circles become more confident about the basics of making grants, they often begin to wonder what kind of difference they are really making. In this survey, 66 percent of experienced giving circles rated measuring impact on grantees as “important,” “very important” or “the highest priority.” But assessing impact is hard without asking for additional reporting from grantee organizations—something most giving circles hesitate to do.

To gauge its effect on the grantees in its community, the *Washington Women's Foundation* added an Impact Assessment Committee in 2002. In addition to the 40 WWF members, the committee also contains several executive directors from community organizations who contribute insight to the conversation. Unlike the WWF's other committees, the Impact Assessment Committee has a prerequisite: Members can join it only after serving for several years on the grantmaking committee. This makes impact assessment a natural next step for experienced members looking for new challenges and learning opportunities.

At the same time, many giving circles feel the need to have a larger impact as they grow and develop, either by funding more organizations, funding at a higher level, or becoming even more strategic in funding decisions. In an interview, Carmen Stevens—one of the founding members and a former staff person of the *Three Generations of Women Giving Circle* in Traverse City, Michigan—described how difficult it was to convince the group to make larger gifts that would have a more systemic impact. In one case, the group was considering two proposals: one to fund a laundry project (“basically nickels and dimes to feed the laundry machines for people who were homeless”) and another to increase individual development accounts for mortgages and educational loans (so homeless people “could use these accounts to get into permanent homes that had washing machines”). Eventually, the giving circle decided to fund the more systemic program and made its largest grant ever.

- 5 Leadership transition:** Turnover at the top is a fact of life for long-running giving circles. In this sample, 67 percent reported undergoing leadership transitions in key volunteer roles. For 63 percent of these circles, planning for leadership transitions was seen as “important,” “very important” or “the highest priority” for the future. Leading a giving circle can be a time-consuming and intense volunteer commitment. Often, a circle's founders are the first to serve in this capacity, but long-term success relies on the initial leaders' ability to pass the torch.

Sondra Shaw-Hardy, founder and former co-chair of the *Three Generations of Women Giving Circle* in Michigan, described how happy she was to recruit two new women to take over the circle's leadership: “We were so delighted to be able to do this and to get some younger women in there. Quite frankly, by this time, we had approached all our friends and had built the membership up to about 65, but we needed new sources.”

Here's one way to sustain a giving circle: Keep founding board members in place for several years to build a solid culture for your organization, advises Colleen Willoughby, president of the *Washington Women's Foundation in Seattle*. *“If you bring in new people too early, you get new ideas. It can take your original concept in many different directions rather than establish the idea you had in mind. Having said that, we started adding members to the board after four years. So, you grow it slowly. We now have 13 board members after 10 years. There can be a feeling by some board members that they have to leave the board because they have been on it for a long time, but I think that the value of institutional memory is a benefit to a new and growing organization.”*

WHAT WORKS: PROMISING PRACTICES FOR LONG-RUNNING GIVING CIRCLES

It would be convenient if there were a checklist for sustaining a giving circle—a limited number of “must-do's” that, if followed, ensured the group's success. Of course, there is no such checklist, and there are as many paths to sustainability as there are giving circles.

Still, our research did uncover a handful of consistent themes that represent promising practices for giving circles. Although the five factors that follow don't guarantee success, success is unlikely without them.

- 1 Leadership and the commitment of founding members:** Asked what keeps a giving circle going, respondents emphatically and consistently named two things: strong leadership and a dedicated individual or group from the start. A circle's founder(s) drive its creation and establish its tone. Although founders do—over time—share that leadership and pass it on to others, the giving circles we heard from emphasized that founding leaders continued to play a central role for a long time.

Since members do come and go, mature giving circles stress the importance of building in some leadership redundancy or finding ways to nurture future leaders. For example, several giving circles mentioned that it was useful to have co-chairs of the circle and its committees so that, if someone had to step down, the knowledge and relationships weren't threatened. Each of the Washington Women's Foundation's committees has a three-pronged leadership structure: a chair, a vice-chair and a former chair. The vice-chair is training to become the next chair, and the former chair serves as the committee's archives and voice of experience.

No matter who makes up a circle's leadership, respondents insisted, these individuals had to be positive and accessible,

especially to new or prospective members. A giving circle can get a reputation for being exclusive if the leaders do not go out of their way to be welcoming.

- 2 Good infrastructure, including positive relationships:** Not all giving circles have host organizations or staff, but for those that do, these relationships are critical to success. In particular, the infrastructure needs to make the work easier rather than create new burdens and time-consuming processes.

Host organizations can greatly enhance their circles' success by donating time, services and—at times—additional money to the circle's funds. To avoid confusion, these services should be clearly defined in writing; many hosts and giving circles have a memorandum of understanding that establishes each side's obligations. Although this might seem like overkill when the relationship is smooth, putting important understandings in writing is vital for the times—which do occasionally arise—when misunderstandings arise or host-organization staff and leadership come and go.

The host organization must also respect the work of the giving circle and the wisdom and expertise of the donors. Foundation staff may have more grantmaking expertise and familiarity with community issues than giving circle donors, but the circle donors are on a mission of learning and discovery. The ability of staff to share knowledge without seeming condescending, and to learn from the donors, is essential to a solid relationship.

3 Camaraderie:

"You have to find people whom other people want to be with. You have to find people that other people respect and admire."

—Sondra Shaw-Hardy of the *Three Generations of Women Giving Circle* in Traverse City, Michigan

"The camaraderie, mutual connections and friendships we have really drive the forward motion of the process. The more we have, the better we are and the more cohesive we are. And the less we have, the less heart we have..."

—Weston Millikin of the *Queer Youth Fund* and *ADaM* giving circle in Los Angeles

"We're a force to be reckoned with. When we get invited somewhere, we're just a big group that goes together. If you invite us somewhere, we show up."

—Gia Colosi of *Spinsters of San Francisco*

Giving circles are social entities. Again and again, respondents told us that at the root of their success was the fun participants had together. The work of shared giving touches on issues that are sensitive and close to the heart: money, generosity, community problems and solutions. Trust and a safe environment make these conversations possible. One giving circle termed this a "strong culture of mutual respect" and commented that the giving circle did not let "prickly little issues" get in the way of more important work¹⁷.

Of course, camaraderie is a difficult thing to build; it has to come about naturally. Most giving circles find that deep relationships simply arise as a side benefit of collaboration. The key is to respect and nurture the fun and friendship that develop, and to honor them as central to the giving circle.

- 4 Ease and flexibility:** Although these two elements may look different from giving circle to giving circle, everyone agrees about how important they are. In a small group giving circle like the *Red Heart Society* or the *Tzedakah Collective*, ease might mean that the group simply avoids a lot of complicated rules, cumbersome bureaucratic layers, or expectations of its members. Meetings are informal; structures are easily adjusted to meet members' changing needs. In small groups, too, the intimacy of the membership means that a member who—for whatever reason—needs special accommodation or a little lighter workload can rely on friends to provide it.

In a large group/formal organization, ease and flexibility often seem built in. Most offer a wide range of engagement levels. As one survey respondent described her situation: "No commitments are expected of our members other than the...annual donation. Participation on the Grants Committee is voluntary. And there are only two meetings per year."

"It's so easy to make things difficult. The whole point of this was to make it easy and see if it works. And it does."

—Carol Hahn of the *Red Heart Society* in Omaha

On the other hand, members who want more involvement can easily find it by serving on committees, volunteering or assuming leadership roles. *Social Venture Partners*, which describes itself as a "community of social investors," has a high level of engagement from most of its member/partners, many of whom commit to long-term and often intense relationships with non-profit organizations. However, it also offers less-intensive options, such as money-only or one-time events. According to

¹⁷ Survey response, anonymous

Social Venture Partners Seattle's Web site, currently about 30 percent of SVP partners are money-only¹⁸.

Frequently, giving circles want their relationships with the nonprofits they fund to be easy and flexible as well. Many circles—especially those with relatively small grantmaking budgets—worry that requirements, proposals, reporting and site visits will end up being an additional burden to the nonprofits they hope to help. As Jennifer Gilbert, a member of a long-running giving circle in Massachusetts, explained: “We believe in low process and high giving. Nearly all of us have worked in small nonprofits (with annual budgets under \$500,000), which is also what we tend to fund. We believe strongly in being a low-maintenance donor, especially because our grants (usually around \$4,000 per organization) aren’t large. Thus, our RFPs are simple, and we often give for general operating costs without a site visit.”

Balancing the desire to avoid being a burden with the need to be a conscientious grantmaker can be a challenge.

- 5 The work itself:** Finally, it is vital to remember that people who join giving circles are passionate about the work they do. The process of learning about community issues and making donations to worthy causes is, in and of itself, an incentive to help the circle continue and grow.

Survey respondents reported these secrets to success:

- 1 Their members like being able to give strategically.
- 2 They relish the excitement of giving.
- 3 They appreciate the opportunity to learn and grow together.

Ultimately, meaningful engagement in community—both the community of peers and the larger community the giving circle serves—is what attracts people to giving circles and inspires them to stay involved.

Part IV:

Future Directions for Giving Circles

The more we learn about giving circles, the more we want to know. The following section describes some of the efforts underway to find out more about giving circles, encourage the formation of new ones, and provide useful tools, resources and learning opportunities for ones that exist. Based on the research, we also offer several recommendations for additional activities that are not yet in the works but that could benefit giving circles.

Upcoming research and newly published information will be available from the Forum’s Giving Circle Knowledge Center: www.givingforum.org/givingcircles.

UPCOMING RESEARCH

The Forum’s upcoming giving circle studies will continue to deepen our understanding of giving circles. The next report—an exploration of relationships between giving circles and their host organizations—will describe models for successful hosting along a continuum of intensity and staff effort. It will also provide practical suggestions for hosts and giving circles.

- The final study in this round of research by the Forum will be conducted in collaboration with Dr. Angela Eikenberry, assistant professor at the Center for Public Administration and Policy at Virginia Tech. The study will investigate the extent to which giving circles affect the philanthropy and civic engagement of their donor members. These data will help giving circles, host organizations, and the philanthropic community as a whole understand the role giving circles play in creating a vibrant democracy and civil society.
- Giving circles fund nonprofit organizations (primarily) and want to do so in the most helpful way possible. “Giving Circles and Fundraising in the New Philanthropy Environment” by Dr. Eikenberry explores the relationships between giving circles and the nonprofits they fund.
- Giving circles are particularly appealing to racial, ethnic and tribal communities. Forum research on fund development in these communities has described the significance of shared giving generally and the role of giving circles in particular. (You can download this report at www.givingforum.org/retphilanthropyreport.) A deeper exploration of these giving circles, which build donors and nonprofits within specific racial, ethnic or tribal communities, would be an important addition to our understanding of giving circles.

¹⁸ www.svpseattle.org/become_a_partner/default.htm

RESOURCES AND PROMOTION

- The Forum's Giving Circles Knowledge Center (www.givingforum.org/givingcircles) provides and promotes resources that help giving circles start, grow and sustain themselves. We're constantly adding resources and tools. Because many giving circles and host organizations are unaware of these resources, we will promote the Knowledge Center more aggressively in the future.
- Following the research about hosting relationships, the Forum will provide best practices and easy-to-adapt tools that can help host organizations serve as effective partners to giving circles without undue strain on their own resources.
- A series of learning opportunities—including conference calls and a national convening—will be open in 2007 and beyond to any giving circles interested in sharing their ideas and experiences and learning about those of other circles. For more information about upcoming events, visit the Forum's Giving Circle Knowledge Center in summer 2007.

"THE DESIRE TO GIVE BACK IS STRONG"

Giving circles simply make sense. It makes sense that donors can accomplish more good, learn more, make better decisions and have more fun when they give together.

When the Forum conducted the first national study of giving circles, we hypothesized that they were inspired by two deep desires:

- 1 **Individuals were yearning for community**—both to engage with their larger communities and to build supportive communities for themselves.
- 2 **Donors—at all levels of wealth**—wanted to be more actively and creatively involved in their giving than simply writing a check allows.

From this second study of giving circles, it seems clear that the desire to give back is indeed strong. Donors increasingly find engaged, hands-on, shared philanthropy to be an empowering and meaningful way to give.

It's not necessarily easy: Although the idea of pooling resources, brainpower and connections seems simple, actually making a giving circle come alive takes energy, dedication and considerable hard work. Fortunately, the extraordinary people who create and join giving circles know that the hard work is balanced by the fun of learning, the excitement of community engagement and the joy of giving together.

APPENDIX I: Giving Circles Survey

Characteristics

As a member, volunteer, or staff person for a giving circle, you are part of an amazing movement in philanthropy. Giving Circles come in all shapes and sizes, but together they are helping to redefine philanthropic giving. New Ventures in Philanthropy—a project of the Forum of Regional Associations of Grantmakers—is committed to encouraging, documenting, and promoting giving circles. We conducted a round of research two years ago that resulted in scores of newspaper, magazine, and even television stories—drawing attention to giving circles and encouraging the formation of many new ones. New Ventures’ Giving Circles Knowledge Center (www.givingforum.org/givingcircles) is the largest source for information about and resources for giving circles.

23

The Forum is now conducting a second round of research. Your help is essential! Knowing more about your circle will help us understand and promote the impact of giving circles across the country. Although some of you may have filled out a similar survey two years ago, we hope you will assist our research by taking the time to complete this follow-up.

SPECIAL AWARD ELIGIBILITY:

All circles that complete this survey in full will be eligible for a \$1,000 donation from the Forum of Regional Associations of Grantmakers. One circle will be selected at random to receive this donation, which can be applied to grantmaking or administration.

This survey should take about 20 minutes to complete. All results will be reported anonymously, unless we get your permission to name your circle. If you have any questions, please feel free to contact us. You can email or call Scott Simpson at ssimpson@givingforum.org or 202.467.1127.

BEFORE YOU BEGIN:

Please make sure that your group meets the basic criteria for this study:

- Donors contribute their own money
- Donors decide where the money goes
- Circle provides some social, networking, or learning opportunities (can be informal)

If you aren’t sure, please contact Scott Simpson at ssimpson@givingforum.org or 202.467.1127 for more information.

Giving Circles Survey

BASIC INFORMATION

1 Please provide your contact information:

Name of Giving Circle _____

Your Name _____

Address: _____

City/Town _____

State/Province _____ Zip Code _____

Telephone _____ Email Address _____

2 Please provide a secondary contact (name, email, phone) for your circle:

3 How significant were each of the following catalysts for your circle's creation?

	Not significant	Slightly significant	Significant	Very significant	Most significant catalyst
Someone had the idea and made it happen	4 3%	3 2%	7 5%	33 24%	89 65%
Saw a newspaper, magazine or television story	75 57%	18 14%	16 12%	12 9%	9 7%
Suggestion from community foundation or other community organization	73 56%	12 9%	17 13%	14 11%	15 11%
Learned about the success of another giving circle	31 23%	25 19%	36 27%	30 22%	13 10%
Invitation to join or participation in another giving circle	98 77%	9 7%	14 11%	5 4%	2 2%
Existing group (such as a book club) that wanted to add a new dimension	114 88%	4 3%	4 3%	7 5%	0 0%
Information from a speaker or workshop	79 61%	15 12%	13 10%	15 12%	7 5%
Copy of <i>Something Ventured</i> by the Washington Women's Foundation	101 80%	11 9%	6 5%	4 3%	5 4%
Copy of <i>Giving Together</i> by New Ventures in Philanthropy	103 82%	10 8%	9 7%	2 2%	2 2%
Concern about community needs/desire to make a difference	4 3%	1 1%	14 11%	59 45%	53 40%
Desire to leverage resources and give more money	7 5%	9 7%	14 10%	54 40%	53 38%
Interest in encouraging new donors	14 10%	9 7%	21 16%	34 26%	56 42%

Top number is the count of respondents selecting the option. Bottom % is percent of the total respondents selecting the option.

4 Select the option that BEST describes your circle's current operations.

- Start-up (circle is currently forming and doing things like establishing processes, recruiting members – has not yet begun first round of grantmaking)
- Newly operational (circle is in first round of grantmaking)
- Established (the circle has been through more than 1 round of grantmaking)
- Experienced (the circle has been through at least 5 rounds of grantmaking)
- Other, please specify _____

5 Select the option that BEST describes your circle's current governance structure.

- Circle members equally share responsibility for guiding direction of circle and decision-making (flat structure)
- Circle has a board (or similar governing body) but no committees or working groups
- Circle has a board (or similar governing body) and committees or working groups
- Other, please specify _____

6 Select the option that BEST describes your circle's membership structure.

- Open network: membership fluctuates from event to event
- Event-based giving circle: membership is constant; giving occurs through events
- Small group giving circle: Fewer than 25 members; membership is constant; giving occurs annually
- Large group giving circle/formal organization: More than 25 members; membership is constant; giving occurs annually
- Other, please specify _____

7 In what year was your circle formed?

- Prior to 1998
- 1998
- 1999
- 2000
- 2001
- Circles formed in 2001 and earlier will be diverted to the "mature circle" questions
- 2002
- 2003
- 2004
- 2005
- 2006
- Other, please specify

Giving Circles Characteristics Survey

Special questions for circles with tenure of 5+ years

We are particularly interested in learning more about how giving circles change and grow over time. Since your circle has existed for five or more years, your experience can provide a valuable model for other circles.

8 How has your circle **changed or grown its grantmaking during its lifecycle? Select all that apply.**

- N/A
- Has grown by adding members
- Has grown by increasing giving amount for all members
- Has grown by adding new tiers of giving
- Has increased the number of grants awarded each year
- Has increased the amount of money given each year
- Has started to solicit/receive outside funding
- Changed funding process (how grants decisions are made)
- Changed funding emphasis and priorities
- Has added an endowment
- Other, please specify _____

9 How has your circle **changed its structure and operations during its lifecycle? Select all that apply.**

- N/A
- Changed or added committees
- Leadership transitions in key volunteer roles
- Added paid staff
- Partnered with a "host" organization (e.g., community foundation, regional association of grantmakers, etc)
- Moved from one "host" to another
- Received own 501c(3) nonprofit status
- Added or changed administrative fee members pay
- Other, please specify _____

10 How have the educational and social activities of the circle changed over time? Select all that apply.

- Expanded educational offerings
- Reduced educational offerings
- Expanded social and networking offerings
- Reduced social and networking offerings
- Added a volunteer component
- Added events to involve members' children
- The circle has not made any changes to its activities
- Other, please specify _____

11 Please provide additional information on any changes that your circle has undergone

12 Has your circle conducted strategic planning? YES/NO If yes, please describe the strategic planning process:

13 How has your circle continued to engage its members with the longest tenure? Select all that apply.

- We have not done anything special to engage them
- Offered new leadership opportunities
- Developed new educational programs for experienced members
- Developed new or special committees for experienced members
- Provided new or additional volunteer opportunities for experienced members
- Provided opportunities to mentor newer members
- Other, please specify _____

14 To what extent is each of the following current priorities for your circle?

	Not important	Slightly important	Important	Very important	Highest priority
Planning for leadership transition	7 18%	8 20%	6 15%	12 30%	7 18%
Measuring impact of the circle on grantees	4 10%	11 28%	7 18%	13 32%	5 12%
Measuring impact of the circle on donors	7 18%	7 18%	8 20%	11 28%	7 18%
Improving or maintaining relationship with host organization	15 37%	4 10%	8 20%	9 22%	5 12%
Rethinking circle's mission and focus	8 21%	14 36%	10 26%	6 15%	1 3%
Paying for the circle's continued operations	15 37%	4 10%	11 27%	7 17%	4 10%
Finding outside funding to add to the circle's grantmaking	17 42%	8 20%	5 12%	5 12%	5 12%
Providing new volunteer opportunities for members	12 30%	9 22%	10 25%	9 22%	0 0%
Providing more/new educational opportunities for members	4 10%	9 22%	13 32%	10 24%	5 12%
Involving members' families/ children	24 59%	7 17%	7 17%	3 7%	0 0%
Helping new circles start in the community	21 51%	8 20%	6 15%	3 7%	3 7%
Recruiting new giving circle members	3 7%	2 5%	8 20%	7 17%	21 51%
Marketing giving circle more broadly	6 15%	8 20%	5 12%	14 34%	8 20%
Increasing level of donors' giving	13 32%	6 15%	8 20%	6 15%	8 20%
Improving grantmaking processes	6 15%	5 12%	12 30%	11 28%	6 15%
Improving grantee reporting process	9 22%	11 28%	8 20%	9 22%	3 8%

Top number is the count of respondents selecting the option. Bottom % is percent of the total respondents selecting the option.

More Giving Together

15 Please tell us more about the most pressing issues or challenges currently facing your circle.

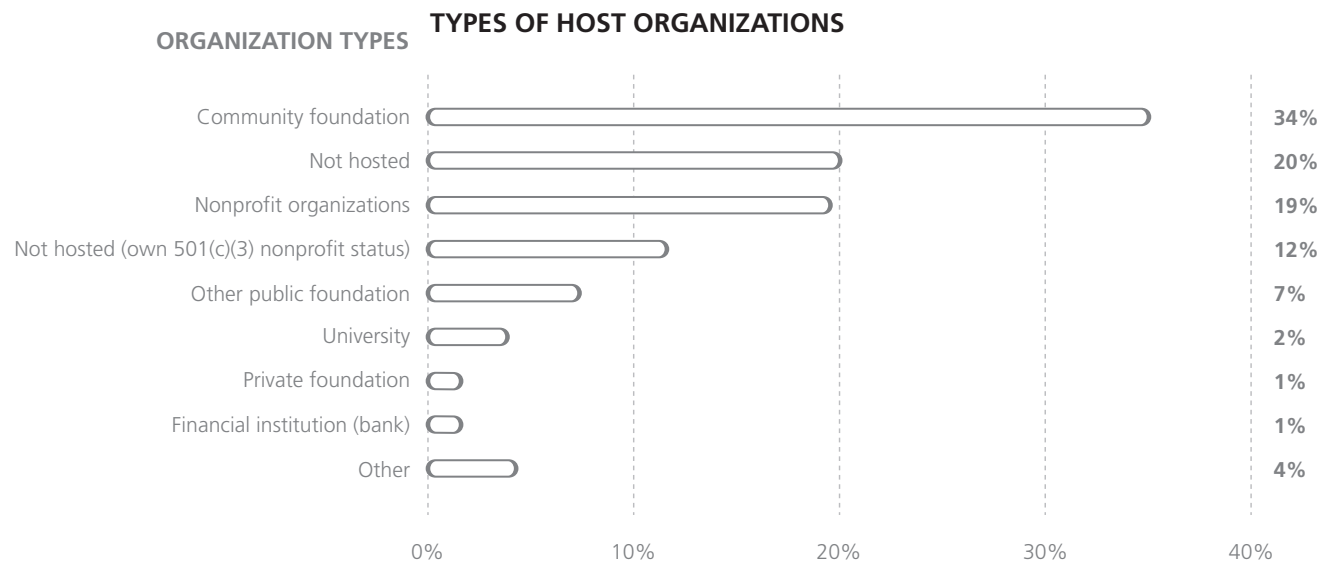
16 What factors have contributed to the longevity and success of your circle?

17 We will be contacting a small number of long-running giving circles for brief interviews. Please indicate whether or not you are willing to take part in a brief interview.

HOST AND STAFF SUPPORT:

Some giving circles are “hosted” by an umbrella organization such as a community or public foundation or nonprofit. Host organizations can provide a range of assistance from very basic fiscal services to significant staff support. Other giving circles have their own nonprofit (501c3) status. This section will ask questions about how your giving circle is hosted (if at all) and staffed (if at all).

18 Is your circle hosted (or otherwise assisted or supported) by an organization? If so, what type of organization hosts your circle?



19 Please provide the name of your circle’s host organization and contact information for a staff person. As part of our on-going research, a short survey will be sent to them to help us learn more about relationships between giving circles and host organizations.

20 If your circle is hosted by an organization, please indicate whether circle, host, or both have responsibility for the following activities.

	Responsibility of Circle members	Responsibility of host organization	Responsibility shared by circle and host	N/A
Holds and/or invests grantmaking money				
Cuts checks once grant decisions are made				
Approves grants				
Recruits giving circle members				
Develops/manages database of giving circle members				
Suggests organizations to fund				
Develops requests for proposals				
Holds circle's administrative money				
Provides space for storage and/or work				
Provides location for meetings				
Convenes and/or runs circle meetings				
Provides educational opportunities (speakers, etc.)				
Contributes money directly to giving circle funds (eg: matching funds)				
Promotes circle through organization's materials				
Produces giving circle materials, including web site, brochures, etc.				
Documents circle activity				
Assists with legal aspects of circle's operations				
Evaluates progress of grantees				
Evaluates impact of giving circle on the circle's donors				

21 Does your circle have paid staff, either hired by the circle or through your host organization? YES/NO. If yes, please provide a brief description of the staffing support (e.g.: *we have a part-time administrative assistant who maintains our database and sends out member communication*)

MEMBERSHIP

22 How many members does your circle have?

23 Please describe the composition of your circle by indicating the percentages of members who are:

- Female
- Male

24 Please describe the composition of your circle by indicating—to the best of your ability—the percentages of members who are:

- African-American
- Arab-American
- Asian/Pacific Islander
- Hispanic/Latino
- Multi-racial
- Native American
- White/Caucasian
- Not Sure

25 Please describe the composition of your circle by indicating—to the best of your ability—the percentages of members who are:

- Under 18
- 18–25
- 25–40
- 40–65
- 65 and Up
- Not Sure

26 Please describe any other shared affinity or identity among members within your circle. (*ie: most of your circle's members share a similar religion, profession, family connection, etc*)

FINANCIAL CONTRIBUTION

27 Which option BEST describes your circle's financial contribution:

- The circle has one giving level that every member must meet (or exceed)
- The circle has multiple, set giving levels (tiered giving)
- The circle does not have giving level(s) established. Donors give varying amounts annually
- Donors give at events, several times per year
- Other, please specify _____

28 Please specify the amount of money given by each donor, or otherwise explain your giving practices.

29 How does your circle pay for the administrative costs of running the circle—including educational programs, food, letterhead, postage, etc.? Select all that apply

- N/A—circle has no administrative costs
- Host organization donates services, etc.
- Circle members donate time, services, and materials specifically toward administration
- Circle has or seeks funding from other sources to cover these costs
- All circle members contribute a flat dollar amount beyond their donation (e.g.: \$200/year)
- All circle members contribute a percentage of their total contribution (e.g. 10%)
- Some circle members make additional gifts toward administration
- Other, please specify _____

30 Is your circle retaining funds to build a philanthropic fund or endowment? YES/NO. If yes, please describe how the endowment is being built (e.g.: 50% of all funds go toward endowment or members can choose whether their money goes toward grantmaking or endowment.)

31 Has your circle received additional funds or matching grants from other sources? If yes, please tell us the source of funds and amounts.

GRANTMAKING:

32 Please provide the dollar amounts for the following

Total dollars RAISED to date? _____

Total dollars GRANTED to date? _____

Total dollars GRANTED (or slated to grant) in 2006 calendar year _____

33 Where, geographically, does your circle fund? Select all that apply.

- Within our community (city, town, rural area, or county)
- Within our state
- Regionally (multi-state)
- Nationally
- Internationally
- Other, please specify _____

34 Which of the following are among your circle's funding priorities. Check all that apply:

- Animal welfare
- Arts, Culture, Humanities
- Community improvement and capacity building
- Education
- Employment, job-related
- Environmental quality, protection, beautification
- Health and nutrition
- Housing issues
- Medical issues, research
- Mental health, crisis intervention
- Public safety, disaster preparedness, disaster relief
- Recreation (sports and leisure)
- Religion, spiritual development
- Science and technology
- Women and girls
- Youth development
- Other, please specify _____

35 What types of entities does the majority of your circle's funding support?

- Individuals
- Start-up organizations
- Small, grassroots nonprofit organizations
- Well-established community organizations with demonstrated track records
- National organizations
- Other, please specify _____

36 How does your circle identify organizations that it might fund? Check all that apply:

- Word of mouth and suggestions from members
- Media stories
- Information from host organization
- Information from your regional association of grantmakers
- Information from an affinity group of grantmakers
- Recommendations from community members (not part of the circle)
- By sending out a Request for Proposals
- By receiving unsolicited proposals
- Online database (such as *Idealist.org*, *Network for Good*, or *Global Giving*)
- Print publication (such as *Catalogue for Philanthropy*)
- Other, please specify _____

32

37 Which of the following BEST describes your circle's grants decision process:

- Consensus: all members discuss and agree on which organizations to fund and at what level
- Voting: 1 vote per member and majority rules
- Committee: final decisions are made by a select group or committee
- Members vote with their dollars—each donor chooses how much of their donation (if any) will go to each prospective grantee
- Other, please specify _____

EDUCATION AND COMMUNITY CONNECTION

38 How does your circle provide members with additional learning opportunities? Select all that apply:

- N/A
- Speakers or workshops about philanthropy
- Speakers or workshops about issue areas
- Practical "how to" educational workshops (such as workshops about how to evaluate proposals)
- Book groups
- Mentoring from other circle members
- Site visits to nonprofit organizations
- Meetings with nonprofit staff
- Group discussion
- Connections to other giving circles
- Connections to philanthropic networks (ie: regional association of grantmakers)
- Other, please specify _____

39 In what ways do your giving circle members give additional time, talent, resources, or funds to your circle's grantees or to other groups? Select all that apply:

- No other significant giving
- Volunteer
- Technical assistance, including PR, marketing, technology, financial, legal, accounting support
- Fundraising support, including introductions to other donors
- In-kind support: donors give resources or services other than money
- Board-level participation
- Members give additional money directly to the organizations funded by the circle
- Members give additional money directly to the organizations that were not funded by the circle
- Other, please specify _____

40 Is there anything else that you would like us to know? about your giving circle?

APPENDIX II: Interview Protocol

Long-Running Giving Circles

INTRODUCTION

Thank you so much for agreeing to be interviewed. As my email described, New Ventures in Philanthropy (which is part of the Forum of Regional Associations of Grantmakers), has been promoting giving circles for several years. In this round of research, we are particularly interested in understanding more about “mature” giving circles—those, like yours, that have been around for five or more years and have been through a number of grantmaking cycles. We are interested in learning more about what keeps giving circles vibrant, how (and if) they change over time, and what their biggest challenges and priorities are.

This interview will last about 40 minutes. We will combine the information that we receive from the surveys and these interviews to develop a report describing the ways that giving circles change, grow, and maintain their momentum as they gain experience. We will share this information with you and others.

Do you have any questions before we begin?

CIRCLE LIFECYCLE QUESTIONS (basics will be pulled from survey and elaborated upon)

1 From the survey, I see that...tell me a little bit more about how your giving circle has changed or grown over time.

Funding priorities _____

Leadership transition _____

Grantmaking _____

2 Has your circle had a plan for growth and development, or has its development over time been organic? Describe...

When did you decided you needed X, Y, Z?

ADMINISTRATION QUESTIONS

3 (if hosted) How has your relationship with your host organization changed over time? What lessons have you learned?

(if 501c3) What lessons have you learned related to having your own 501c3 status? Pros and cons.

4 What kinds of systems and processes have you put into place over time to help your circles' operations run smoothly?

5 How have you paid for administration?

CHALLENGES, SUCCESSES, AND OPPORTUNITIES:

6 What kinds of unexpected challenges have arisen for your circle? How have you addressed them?

Opportunities?

7 Looking back, over the life of your circle, what have been the greatest successes?

PROMISING PRACTICES:

8 Many circles have report that, as they have gained experience, they have started to think more about their practices, such as how they interact with grantees, how they measure success, how they develop donors, etc. Can you talk a little bit about how your thinking has changed, if it has, in each of these areas:

Interacting with grantees/power dynamics

Measuring success (with grantees, with members)

Educating and motivating membership

9 Given your experience, what kind of advice would you give to newer circles?

RELATIONSHIP TO “ORGANIZED” PHILANTHROPY/NON-PROFIT SECTOR

10 As your circle has grown and changed, have you become more connected with organized philanthropy and the non-profit sector in your region? For example, have you become tied in to the regional association of grantmakers or the association of nonprofits?

If so, what benefits/challenges have arisen as a result of this involvement?

If not, why not?

RESOURCES

11 Do you have any resources and materials that you think would be useful for other circles? Are there resources that you don't have that would be useful to your circle?

About Us

The Forum of Regional Associations of Grantmakers is a national philanthropic leader and a network of 32 regional associations of grantmakers. It supports philanthropy by strengthening the ability of all regional associations to fulfill their missions; these associations promote the growth and effectiveness of philanthropy in order to improve life in their communities.

The Forum organizes its activities and applies its resources against six priorities:

STRENGTHEN: We value effective and efficient geographic associations and provide support and services to them.

CONNECT: We value leveraging the assets of our network.

EXPAND: We value greater participation in geographic associations.

KNOWLEDGE: We value shared knowledge and informed practice.

VOICE: We value clear representation of philanthropy's impact and interests.

CHANNELS: We value partnerships based on beneficial exchange.



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