



Giving Circles - A Viable Funding Option or Just Going Round and Round?

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Giving circles are still a relatively young phenomenon, but they are becoming more popular. This month we look at these circles, outline the pluses and minuses, and explain how you can adapt the circle model to fund your conservation projects.

First, the basics. A giving circle is a group of donors who have pooled their charitable dollars and collectively decide how to distribute them. Some rely on "host" organizations, such as a donor-advised fund at a community foundation, to manage distribution of the grants; others are member-administered.

Donor motivation for joining a circle ranges from the social and networking environment it offers to the opportunity to work with a group of diverse and like-minded peers with whom they can leverage their dollars and thus make a greater impact with their philanthropy. In addition, some giving circles, particularly those who use a host organization, also provide an educational component that helps to increase members' understanding of philanthropy and community issues.

Studies show that there are benefits to starting a circle as it helps to promote a culture of giving. Donors who give through a circle often give more than non-members and are both more engaged and more strategic about donations. It is also an avenue for cultivating new donors or provides an opportunity to reach out to new prospects. For established donors, the educational component is a way to increase involvement.

The downside? Several non-profits find that circles limit accessibility to donors by reducing the one-to-one interactions where connections and relationships are built as you may only have contact with select members. Also, there is a tendency towards more due diligence about the organizations supported and grant impact, so circles often require more administrative reporting and pre-grant activity which can tax an already overworked non-profit staff.

How can a circle bolster your conservation budget? We would suggest adapting the university model - where alumni form a circle that annually selects campus-related needs to support. You can form a circle of donors (or use it as a premise to cultivate new donors) who focus solely on the conservation projects that need funding. In addition to gaining much needed support, it can be an avenue to educate your constituents about your collection or building's needs, and allow you to advocate for preservation at your institution.

Some tips for starting a circle:

1. Have a strong volunteer champion - preferably a board member - who can help strategize about the circle's mission and growth.
2. Clearly define the mission, goals, and both member and institutional responsibilities.
3. Ensure funding and sustainability by continuously recruiting new members to the circle. Similarly, plan for leadership transitions for the long-term success of the circle.
4. Keep it fun! Because volunteers' enthusiasm and ongoing support are critical, make it a positive experience for the members through flexible meeting schedules, a good infrastructure, a manageable work load, and camaraderie among members.

Suggested Reading:

Forum of Regional Associations of Grantmakers Reports:

Giving Together

More Giving Together

The Impact of Giving Together

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