

Uncircling the Wagons: Philanthropists Who Didn't Cause Our Social Problems

By Claudia Jacobs

Peter Buffett's op-ed this summer in the New York Times pointed to the irony of the mega-wealthy cloaking themselves with the accoutrements of philanthropy and campaigning against social ills while wealth accumulation itself contributed to some of those very problems. Begging the question, is philanthropy tantamount to a PR campaign to keep the awful truth from oneself?

This controversial article was a gigantic wake-up call to the sometimes sleepy established philanthropic world. Commentators came out of the woodwork, arguing for or against certain aspects of the challenges Buffett had posed. Finally there was something to debate, offer mea culpas, and disagree about. Clearly, Buffett struck a nerve.

But meanwhile the Luddites of the philanthropic world are quietly smashing some of the elitist notions inherent in Buffett's provocative article. These are philanthropists without mega-wealth, quietly meeting in living rooms to pool sometimes only small amounts of resources

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to direct toward community need, helping to leverage their contribution for social justice projects often for women and minority communities. Individual members of giving circles may give at varying amounts, allowing for a wide range of participation.

Social Venture Partners (SVP), where collective giving is practiced, is comprised of donors who join with annual gifts of at least \$6,000 annually. According to Marjorie Ringrose, the executive director of SVP Boston, "There is great power in these groups as we can take greater risk and invest in young organizations that show promise." And part and parcel of the SVP model is that members offer their business expertise and capacity-building resources for the programs they support.

But the collective giving that involves neighbors around a kitchen table and is totally volunteer-run is often referred to as a giving circle. Stemming from the women's movement, giving circles are often comprised of groups of people who have some

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finances to pool with others and donate to nonprofit organizations, but who in the past might never have considered their gifts as "philanthropy." "For the volunteer giving circles, succession of leadership seem to be the greatest challenge," says Varsha Ghosh, who works with the Saffron Giving Circle.

Whether giving is \$30.00 or \$6,000 annually, one's participation in a giving circle or a collective giving entity allows individuals to learn about need in the local community or globally, and be engaged with topics important to them in a non-bureaucratic, nimble manner.

Lowering the barrier to entry is especially critical for those who have traditionally not been seen or seen themselves as philanthropists. Chad Jones, executive director of the Community Investment Network, an organization based in North Carolina that promotes giving circles, agrees. "Yes," he says, "it is a way for people of color to get involved in philanthropy with no barriers to entry and we are unapologetic about saying that, but we don't exclude anyone. We are battling the perception that 'money' equals whites, and 'recipients' equal non-whites, but we need to be clear, people of all races, classes and ages can give back and be philanthropists."

Victoria Gonin, one of the founders of Womenade in Boston who has promoted giving circles around the U.S., notes that a huge wave of

attention is now being paid to this philanthropy phenomenon and giving circles are "bubbling up all over."

Asian Americans/Pacific Islanders in Philanthropy (AAPIP) based in San Francisco has a goal of creating 50 Giving Circles and they are already up to 30 nationwide. Their website includes tool kits for setting up a giving circle. While Asian and Pacific Islanders (API) represent 5% of the U.S. population, less than 1% of foundation dollars is directed to these communities. AAPIP seeks to address this by building a movement of API giving circle members- adding to the roster of philanthropists.

Gonin of Womenade says giving circles were popularized by a 2002 article in Real Simple, but this vehicle for giving has now spread to the African American, Asian and Hispanic communities. A recent article in the Chronicle of Philanthropy (August 15, 2013) features a spread on African American Giving Circles.

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In May of 2009, The Impact of Giving Together, a report released by the Forum of Regional Association of Grantmakers in Arlington, VA, found that giving circles were more likely to allocate their funds to causes involving women and ethnic and minority groups. They cited important educational benefits for participants including a deeper understanding of what nonprofits are facing. But are the benefits to the givers themselves stronger in nature than to the non-profits they gather to fund? Much of the research and literature does point to the incredible benefits for circle members.

AAPIP sees giving circles as a way to involve immigrants and refugees in the practice of U.S. philanthropy. "We are the children of the killing fields, but we will not be defined by that - we will use our own resources to give back to the Cambodian community," said one Devata Giving Circle leader impressing. Peggy Saika, President of AAPIP. Saika says, "building networks like giving circles taps into the impulse to share stories, share food and create a new narrative for communities across the country. It helps people express generosity, make decisions themselves and build democratic philanthropy. It is where economic and civic responsibility meet."

While most think of philanthropy as an elitist enterprise, this new philanthropy is bucking that tide.

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Saika says that "giving circles are a great way to step onto the philanthropy ladder; you can stop at the first rung, stay there, or keep climbing up."

Chad Jones echoes these sentiments: "Allocation decisions are often made by people divorced from the realities of the kinds of social problems such as poverty, violence, homelessness, faced by many in the world." Community Investment Network looks at donors not as checkbooks, because "big dollars don't always translate into big results." He cites a \$30M project that affected only 300 kids, using that as an example of the fact that dollars alone don't correlate with systemic impact.

"The triple-headed Hydra is race, class and trust," he says. CIN begins with a view of how undemocratic philanthropy has been. Jones feels that reversing the trend of who are the decision makers relative to the recipients is one missing link in achieving equality.

When asked if a nonprofit would rather have \$2,000 from a giving circle or \$1M from a Foundation, he eschews the question. "People should focus on the supply side of philanthropy, not just the grantee agencies," he says. CIN's mission is to get more people of color involved, and giving circles, with lower barriers to entry, are a perfect vehicle. "It's about changing the conversation," he says. "Rather than using your resources to consume more, we

show people they can give more away than they thought," Jones says.

If Giving Circle promoters can find ways to sustain this volunteer movement of everywoman/man philanthropy, they still may be confronted with the question of who benefits more, giver or givee? Perhaps the answer doesn't matter as much as the question. Personally, I'd love to join a giving circle. And maybe that's the point.

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