Giving Circles: Spinning Gold or Chasing Your Tail

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THE COMMUNITY FOUNDATION
FOR NORTHEAST FLORIDA

Giving Back. Giving Forward.
Framing our Discussion

❖ Why Community Foundations
❖ The Community Foundation for Northeast Florida (TCF)
❖ Research & Characteristics of Giving Circles
❖ TCF Models
❖ Considerations
Cleveland 1914

Frederick H. Goff
Stimulate Philanthropy to build a better community
❖ 2017

❖ Founded in 1964
   Oldest & largest in Florida

❖ 397.4 assets under management
   65% endowed

❖ 40.5MM granted
   83% Northeast Fl

❖ 19 staff
Giving Circles are changing the face of philanthropy
Recent Research
Collective Giving Research Group

❖ Nov 2017  The State of Giving Circles Today

Jessica Bearman  Principal, Bearman Consulting
Julia Carboni, Ph.D. Assistant Professor, Maxwell School of Citizenship and Public Affairs, Syracuse University
Angela Eikenberry, Ph.D. David C. Scott Diamond Alumni Professor of Public Affairs, School of Public Administration, University of Nebraska at Omaha
Jason Franklin, Ph.D. W.K.Kellog Chair in Community Philanthropy, Dorothy A. Johnson Center for Philanthropy, Grand Valley State University

Funded by: Bill & Melinda Gates Foundation, via Women’s Philanthropy Institute at IU Lilly Family School of Philanthropy
Charles Stewart Mott Foundation
Giving Circle Networks Gathering

❖ 20 networks

❖ Representing 1500 circles


Funders: Bill & Melinda Gates Foundation and Charles & Lynn Schusterman Family Foundation
10 Key Findings — Collective Giving Research Group

❖ GCs have tripled in number since 2007 – 1,500 across the country

❖ GCs have granted up to 1.29 billion

❖ Women are the majority of GC members

❖ GS engage a diverse range of donors – 150,000 across 50 states

❖ Funding remains largely local
10 Key Findings – Collective Giving Research Group

❖ GC donors are motivated by a desire to “give back”

❖ Donors join GCs with a goal of “giving better”

❖ GCs are more connected-to each other and to the philanthropic sector

❖ GC hosts seek to grow a culture of philanthropy

❖ Covering costs is a challenge
Key Findings - Network Gathering of GCs

- Core identities in networks
- 30% of GCs do not specifically focus their funding
- Grant sizes vary
- The majority of GCs meet in person
- Networks provide an array of supports
- Networks are funded by individuals and grants
- Growing Field of Giving Circles
Giving Circle characteristics

- Donors pool their funds
- Leverage all types of resources
- Educate members about philanthropy and community issues
- Include a social dimension
- Engage members in volunteering
- Maintain their independence by not affiliating with any one particular charity
Connections

Institutional Host:
- Community foundation, other public foundation, nonprofit or university

Hosts:
- May simply hold the circles’ funds
- Often provide administration and staffing

When Hosted:
- The host charity takes care of all grant administration and asset management and normally charges a fee.

Not all circles are hosted.
General Benefits to Community Foundations

❖ They provide grant making dollars to the community

❖ They allow donors to learn together about community issues and hosting entity

❖ They engage and cultivate donors

❖ They build community

❖ They promote Civic Engagement
Giving Circle Members say:

“Deeper and more sophisticated grantmaking”
“Donor Education and making participants stronger givers and fundraisers”
“We can achieve transformational change”
“Research based grantmaking”
“Stronger together”
“Leverages my investment”
7 Habits of Highly Effective People
Stephen R. Covey
Motivation: What result do you want?

- Fund/Asset Development
- Support for a specific area of grantmaking or initiative
- Leadership on a community issue
- Community Engagement
- CF visibility
## Our TCF Giving Circles

<table>
<thead>
<tr>
<th>Circle</th>
<th>Motivation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beaches Community Fund</td>
<td>Development</td>
</tr>
<tr>
<td>LGBT Community Fund</td>
<td>Community Leadership</td>
</tr>
<tr>
<td>Women’s Giving Alliance</td>
<td>Development to Community Leadership</td>
</tr>
<tr>
<td>My Village Project Community Fund</td>
<td>Community Leadership</td>
</tr>
</tbody>
</table>
## Our TCF Giving Circle Statistics

<table>
<thead>
<tr>
<th>Community Fund</th>
<th>Investment [Annual Member Fee]</th>
<th>Number of Members</th>
<th>Fee to TCF</th>
<th>TCF estimated Fee 2018</th>
<th>Endowment</th>
<th>Total Grantmaking to Date</th>
<th>Members who have a fund with TCF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beaches Community Fund</td>
<td>$10,000</td>
<td>33 Families</td>
<td>10%</td>
<td>$24,000</td>
<td>No</td>
<td>$343,060</td>
<td>22/26</td>
</tr>
<tr>
<td>LGBT Community Fund</td>
<td>$2,500</td>
<td>44</td>
<td>10%</td>
<td>$20,000</td>
<td>No</td>
<td>$485,717</td>
<td>18/53</td>
</tr>
<tr>
<td>Women's Giving Alliance</td>
<td>$1,500</td>
<td>410</td>
<td>10%</td>
<td>$63,750 + $45,500 &gt;= $109,250</td>
<td>Yes</td>
<td>$5.5M</td>
<td>78/151</td>
</tr>
</tbody>
</table>
Why Host a Giving Circle?

❖ Donor Interest

❖ Engagement of donors/ prospective fund holders

❖ Exposure of Community Foundation to larger community

❖ Opportunity for donors to learn about the community

❖ Power of the collective: on a topic/area of interest

❖ Potential to grow a field of interest endowment: perpetuity
Considerations

❖ Need a memorandum of understanding
❖ In kind contribution from Community Foundation
❖ Educating your CF Board of Trustees of the value
❖ Staff with “donors as volunteers” experience
❖ Utilize multi-year giving
❖ Create an endowment early on
Caution if Considering

- Do you know how to manage volunteers?
- Volunteer leadership changes: Ground hog day
- Teaching the value your CF brings to the circle
- The art of saying “no”
- Allow time to pursue and capture the splash
- Be transparent about operating costs
- Strong circles adjust and adapt to growth and longevity
Why Not to Host a Giving Circle

❖ No interested donors
❖ Ask - Is this ours to do? Community Foundation mission
❖ Lack of support from Board of Trustees
❖ Band width of current staff
❖ Lack of donor understanding of operational costs
❖ No capacity to pursue or capture the splash
❖ It’s not just grant making
❖ Time intensive
We believe...

Our job is to help our donors see the opportunity for philanthropy and fulfill their motivation for giving.
Questions?

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