

Young givers create way to pool funds, experience

Giving circles encourage donors to participate

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The Amish are renowned for their barn-raisings and quilting bees, bringing the entire community together to help a new couple start a farm. But for the rest of this country, the practice has pretty much died out.

Clearly, the desire hasn't.

In the past eight years, "giving circles" or "donor circles" have sprouted like wheat grass along the West Coast and beyond, as a prosperous "younger" generation -- that's pre-retirement -- looks for a meaningful way to help heal the troubled spots in communities.

"One of the most attractive things about the donor circles is people don't just write a check and walk away," said Maya Thornell-Sandifor, from the **Women's Foundation of California**, calling it the fastest-growing trend in philanthropy. "They actually get to talk to the people they're helping, so it becomes a much more personal experience."

And they're making an impact.

The Women's Foundation was among the early leaders in the movement, launching its first group in 1998; since then, its four donor circles have awarded \$4 million in grants averaging about \$20,000 apiece. That's a quarter of the foundation's total grantmaking in those years and 34 percent of last year's grants. The exact number of such giving circles is unknown, according to Angela Jones of Northern California Grantmakers, a 175-member association of foundations. But she said the concept has gained enough clout to be the focus of a nationwide initiative that will launch

Nov. 15 through NCG's national counterpart, starting with research on the array of giving circles in ethnic, tribal and racial areas of philanthropy.

All shapes and sizes

While these circles vary widely in funding level and theme -- from broad social issues to concern for a single village overseas -- they start with a basic interest in hands-on philanthropy.

Some groups are merely a handful of concerned individuals who agree to tackle one issue together and pool their money over a kitchen table. Others, like those through the Women's Foundation, Seattlebased

Social Venture Partners International or the San Francisco-based **Full Circle Fund**, follow explicit structures of participation, volunteerism and donations.

Financially, the groups also vary widely. Often, they start with minimum pledges of around \$5,000 per year. The Women's Foundation and others are looking at ways of expanding the circles to lower-income philanthropists by lowering the entry points, such as one group's \$10,000 minimum pledge, payable over five years.

The groups might range from six people to 25, who commit to giving time and energy to the issues in the circle they've joined. That means first studying the issues in depth, then visiting potential grant recipients and community leaders, analyzing where their efforts will make the greatest impact, running their grant program, and sometimes even joining boards of recipient groups.

And the demand to join in keeps growing.

"People are more and more interested and wanting to participate in these," said Susan Freundlich, vice president of development at the Women's Foundation, whose staff provides extensive due-diligence, logistics and research for each donor circle. "We can't even keep up with the number of circles these people would like to have us launch." On top of her regular responsibilities, Freundlich runs one of the foundation's first donor circles, whose five members have contributed nearly \$900,000 toward race, gender and human rights issues in the criminal justice system. The foundation's other circles focus on women's and girls' issues in economic development and justice; economic self-sufficiency; and, early next year, new circles for women of color and in women's health.

Intellect and passion

At its core, the giving circle concept goes beyond any specific issue. What it's about is changing the way people think about philanthropy. Gone are the days when it was good enough to simply include a new hospital wing in your will. Now, all kinds of people are trying to create social change during their lifetimes, from mid-level managers to billionaires Warren Buffett and Bill Gates.

"When you think of philanthropy, it's part intellect and part passion," said Amy Lesnick, executive director of the Full Circle Fund, a San Francisco foundation that launched in 2000 as a forum for young professionals to give time, money and expertise to address pressing social causes. "Giving circles are a great way of fulfilling that need for both."

Full Circle provides extensive background research to these groups while fostering the groups' own research. And it gives them a chance to sit at a table with equally committed members of the community. The group also works to develop young philanthropists into public leaders.

The Full Circle Fund targets "young" philanthropists -- a term that keeps shifting, but generally means 25- to 45-year-olds -- fostering close collaborations with the leaders in three realms: education, housing and access to technology. Its 100 members have contributed more than \$640,000 and 30,000 hours of work in those areas.

While the Women's Foundation reaches a broader age group, from young professionals to retirees, Freundlich said the chance to learn about these issues in depth is one of the main reasons people, and especially women, are gravitating toward giving circles.

"It gives them a chance to learn with others who are giving back and trying to actually make a change happen in the world," Freundlich said. "They're learning something in the process and learning how to become a more strategic philanthropist. (At the same time), they're building relationships. It's a great networking opportunity."

The approach also feeds the heart.

"People are busy. They don't have a lot of free time," Lesnick said. So the goal is to help them use their professional skills, leadership abilities and passion in the most effective -- and rewarding -- way possible. "If you can create an environment that's fun for them to share their passion with other people and have a sense of community around it, that's very fulfilling."