

Grassroots Fundraising Journal

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for Fundraising Training



Fortifying Your Funding After a Crisis
#MeToo & the Culture of Fundraising
Raising Funds From Giving Circles

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ON OUR COVER



Bridging the Gap (BTG) works to make the Kansas City region sustainable by “connecting environment, economy and community,” and is the premier organization in the area providing environmental education

and volunteer action through more than 1,500 volunteers annually. Pictured on our cover are BTG volunteers replacing trees to protect urban forests and help mitigate the effects of climate change in this century. BTG’s Executive Director Kristin Riott was one of 10 EDs interviewed by Judy Ruckstuhl Wright for her article in this issue, “Fortifying Your Funding After a Crisis.”

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Join GIFT at Money for Our Movements

THE MOMENTUM OF MONEY FOR OUR MOVEMENTS is building. Workshops are being confirmed, the debate topic has been announced, and our debate team and plenary speakers will be introduced in the coming days. It's an honor for GIFT to host a gathering of such brilliance and diversity, and each year we are blown away by the ingenuity and generosity of the GIFT community.

With tracks ranging from "Advanced Topics for Movement Resource Mobilizers" to "Boards and Teams" to "Wellness and Sustainability" to "Solidarity Economies," this year's program is not to be missed. A small sampling of confirmed workshops include: "By the People, For the People: Fundraising for TGNC Liberation"; "Shifting from Transactional to Transformative Development"; "Planned Giving with Few Resources and Little Time"; and, "Love on Your Donors! Grow Your Bottom Line Through Gratitude." And don't forget the always popular debate. This year we'll take a deep dive into nonprofit branding to explore whether it's inherently antithetical to movement building. Learn more and save your spot today at grassrootsfundraising.org/mfom.

The articles in this issue of the *Journal* will challenge you to take a good look at your organizational culture, prepare you to come back from the brink of financial crisis, and help you navigate the giving circle landscape. We open with a piece by Priscilla Hung, who spoke with social justice fundraisers from around the country about their experiences with sexual harassment and assault. She examines power dynamics between donors and funders and fundraisers, and suggests transformative practices that can reduce harm in our communities. Next, Judy Ruckstuhl Wright shares the collective wisdom of 10 executive directors, who, after losing significant government funding during the Great Recession, were able to get their organizations back into financial solvency. As a follow up to his 2017 *Journal* article on donor advised funds, Jason Franklin returns with tips for fundraising from giving circles, another giving vehicle that has experienced tremendous growth in recent years.

I hope you find these articles useful and thought provoking. Be sure to check out grassrootsfundraising.org/mfom for more details and to register for this year's conference. Scholarships, youth/student and group rates are still available. Please join us this July 27-29 in Atlanta!

#MeToo

& the Culture of Fundraising

By Priscilla Hung

The donor who invites you to his hotel room after the gala.

The social investor who suggests you talk shop together over drinks in the hot tub.

The board member who encourages you to dress attractively and flirt at the funder briefing.

WHEN #METOO, THE HASHTAG AND MOVEMENT started several years ago by longtime activist Tarana Burke, trended on social media last fall, social justice activists were quick to point out that nonprofits, even those trying to change oppressive systems and problematic behaviors, are not immune from sexism and gender-based violence.

The culture of nonprofit fundraising is particularly ripe for inappropriate behavior because of the unequal power dynamics embedded between donors and funders and those asking for money. Indeed, sexual harassment and gender inequity in fundraising is enough of a problem for the mainstream Association of Fundraising Professionals to have put out a statement, conducted a survey of its members, and penned articles about it in its industry magazine. It found that one in four female fundraisers have experienced sexual harassment on the job and 65 percent of those harassed said that at least one offender was a donor.

I spoke with multiple people from the social justice sector who recounted experiences they've had while raising money, mostly femme-presenting cisgender women of color and white women sharing incidents with older cisgender men, although not exclusively. Most of my interviewees requested anonymity because speaking out may risk their relationships in the sector or risk funding for their organizations.

The stories they shared do not reflect legal definitions of assault or classic quid pro quo ("If you sleep with me, I'll give you a grant"). Instead, they characterize an industry where women raising money are objectified and expected to pander to wealthy men for the good of their organizations while keeping silent about their discomfort; and where donors do not think they are doing anything wrong. Their experiences affirm what we already know about the rape culture we all live in: it's pervasive, pernicious and normalized.

What It Takes to Build Relationships

As fundraisers, we learn and teach that raising money is about building relationships. We know that it works and can often be

the most enjoyable part of the job. But it also leaves many of us, especially women, vulnerable when donors and funders take advantage of the common belief that spending more time with them and never saying "No" is what builds relationships. As described by one fundraiser, "You're trying to attract someone's attention, engage them, and have them get close to the organization and to you. It's strategic intimacy—and it can get blurry pretty quickly."

In the social justice sector, we have an understanding that if you're able to connect with funders and donors beyond direct mail and pitches over lunch, you can then access the influence and funding needed to propel your work to success. Building these types of connections can sometimes look like getting invited to exclusive events or going out for drinks with program officers and high-net-worth donors. As described by one former executive director, "I would see it happening around me—people in social

IT'S STRATEGIC INTIMACY—AND IT CAN GET BLURRY PRETTY QUICKLY.

justice leadership playing the game, doing the drinking, and whatever else is needed. You go with it and be cool. And if I don't do this, I won't be cool enough to make the connection I need. The implication is that this is the way you make these relationships, and once you make the relationships, you can get anything."

After a discomfiting experience with a program officer, one co-director shared, "A lot of funders want you to homegirl or homeboy them while paying them the respect they think they're owed. If this was just any man from the community, I would have said something. But I know that this man has power to take money away from our organization so I just have to take it."

What's so insidious and appealing about the process of trying to be friends with donors is that the premise of friendship allows

NO INDIVIDUAL GIVES ENOUGH TO SHIELD THEM FROM THEIR ACTIONS.

both parties to pretend there isn't an unequal power dynamic, and to believe that you aren't there because you want to ask them for money. When comradery makes power dynamics less visible, it soothes the troubled soul of the social justice fundraiser who is uncomfortable with the money dance, and appeases the social justice donor who wants to be seen as more than an ATM. But intimacy between funders and fundraisers doesn't actually erase the power dynamic; it often just hides the powerlessness of those asking for money and increases the likelihood that they won't feel comfortable calling out bad behavior.

The Dynamics of Class, Gender, Race, and Age

The unequal power dynamics that get created when you put a fundraiser and a donor in the same room are markedly exacerbated when you add significant class, gender, race, and age differences.

Organizations are often encouraged to cultivate major donors who give significant gifts because, unlike grants, they are usually unrestricted and the donor can become a lifetime supporter and champion of your work. What we don't often discuss openly, however, is how class differences can play out in fundraising, even among people with shared social justice values.

The same former executive director observed, "It's very possible to have cross-class relationships, but it's hard to have relationships that start in the dynamic of need. As a young executive director in my 20s, it was my first time having contact with millionaires and billionaires. I was wowed."

This feeling is echoed by another former executive director. "There's a real clash of cultures. Flying on their plane, going on their sailboat with them...boundaries become blurry. Because you have access to this person, you feel a lot of pressure to not screw it up and not upset them."

And when the person raising money has personal experience with the issues the organization is addressing, such as when development staff for a nonprofit addressing homelessness discloses to donors that she was formerly homeless, the inequity of the power dynamic can grow even larger. One former director shared a disturbing account where a wealthy couple tried to "rescue" the member who was raising money from them, offering a very generous donation—the largest the group had been offered from a single donor—and requesting to take the member home with them to "provide them with a safe home."

For women, especially younger women, who raise money from wealthy men, it's easy—and expected—to fall into gender norms where women are pressured to play up their femininity and attractiveness. Women are expected to perform the emotional labor of keeping interactions fun, pleasant and attentive regardless of how the man is behaving. One fundraiser shared, "Part of what makes me successful in this role is that I'm polite, kind and cute."

This dynamic is also at play in LGBTQ philanthropic spaces. One executive director shared, "We are a sex positive organization and it can be fun to have a raucous time with your people. But people sometimes assume that they don't have to be careful about my boundaries about my body and it's stressful. It's really routine with funders for physical boundaries to be crossed without consent and sexual solicitation without acknowledgement of power dynamics."

Multiple people of all genders described a dynamic where they are expected to flirt, are referred to as "eye candy," are continually touched without consent, and have to deflect requests for dates from donors with a playful comeback and a wink and a smile. There is pressure to provide a sense that they are available to donors, even if it's just pretense. One person shared that her colleague purposely didn't disclose that she's in a relationship while in conversation with (mostly middle-aged white male) donors because she felt it made it easier for them to connect with her.

The co-director shared her frustration with this situation when anticipating what the follow-up meeting with the program officer would look like. "I can't just go with my knowledge, expertise and organization. I have to figure out how to navigate his advances, what do I wear, who else needs to be with me. It's ridiculous that I have to even think that way in a social justice movement with a foundation that prides itself on being progressive."

Writer and facilitator adrienne marie brown put this dynamic into stark relief when she stated, "It feels cool at first. Then you realize that I'm not really part of this party, these are not authentic relationships. I'm part of the spoils that this person wants to have access to as part of the money they're giving."

The Impact of Colleagues

For many people I spoke with, the deciding factor of how they felt about their experiences was how their colleagues reacted. Colleagues who believed them, took the incident seriously, and affirmed that no amount of money was worth putting up with this

kind of behavior helped people feel supported and safe and more able to move forward.

When Leah Olm, leadership giving officer at Wellstone, told her supervisor that a donor had acted inappropriately with her, the organization took swift action. Their director of human resources met with the donor as well as wrote him a letter stating that he was not to have contact with any Wellstone staff. They stopped soliciting him and did not accept further donations. Leah received support to attend self-defense training and shift how she approached her work to prioritize her safety. “The organization made a choice: no individual gives enough to shield them from their actions,” she shared. “That reinforces the culture of fundraising I’m trying to build here. They had my back in the way that I think we need in this work.”

However, when colleagues made jokes, turned a blind eye, or minimized incidents of harassment and boundary-crossing, the people experiencing such treatment unsurprisingly felt alone and ill-used, and eventually soured on the work. Several people even

up to, including a woman on her board, would echo the same crass sentiments.

Rather than acquiesce to the system and expect her to play along, she described how she wishes her female mentors had supported her: “Brief me on some of the dynamics that might come up. Share how she handles it. Talk with me about how I want to handle it. Support me in however I choose to navigate these things. Say ‘it might get icky but I’ll be here to debrief with you and be in your corner.’”

Transformative Practices

When asked what they considered to be the crux of the problem, the resounding response was white capitalist heteropatriarchy. And for those of us doing social justice work who don’t want to replicate the problem, traditional solutions of calling the police, punishment, and icing people out don’t align. As alternatives, people named several transformative ways we can address the harmful habits that are showing up in our work.

WHEN MALE DONORS SEEMINGLY EXPRESSED INTEREST IN HER, HER MOSTLY MALE COLLEAGUES WOULD MAKE JOKES FOR HER TO “TAKE ONE FOR THE TEAM” AND “FINANCE THE ORGANIZATION THIS WAY.”

expressed that these interactions partially fueled their decisions to leave fundraising, to not want to be nonprofit directors anymore, or to leave organizations led by cisgender men.

One fundraiser shared that she doesn’t disclose most donor incidents to her executive director, an older man, because she doesn’t think he would consider it harassment. When she did tell him she would not meet with a donor who had groped her, he “understood, but it’s not like he did anything for me or said anything to the donor.” When asked why, she explained, “Your executive sets the tone and he’s not setting a good example. He drinks with donors and says things you shouldn’t say. Folks are following his lead, they see it’s acceptable here.”

One of the former executive directors shared that the complicated combination of both being unilaterally praised for being successful at fundraising while also being derided for it “will do a number on you psychologically and was pretty damaging to my confidence.” When male donors seemingly expressed interest in her, her mostly male colleagues would make jokes for her to “take one for the team” and “finance the organization this way.” It felt most undermining and demoralizing when women she looked

- **Name harm and believe people.** Staying silent is a survival habit but it doesn’t allow us to thrive. As described by Mily Treviño-Sauceda of Lideres Campesinas, “People who have been abused feel hurt and alone. When we speak up, we aren’t believed, or we’re shamed or blamed.” Creating an organizational culture where people talk openly and feel empowered and supported is critical. After years of experience opening dialogue and talking about taboos, she holds as a central tenet, “We are going to move forward together. Don’t hurry. Listen, be open minded, be respectful.”

- **Prioritize the safety of staff over comfort of the donor.** After the 2016 election, Wellstone held an organization-wide discussion on safety and security, which included the fundraising team. “I don’t go to donor’s houses alone anymore,” said Olm. “I don’t let them drive me places, I don’t tell them which hotel I’m staying at. I don’t wear high heels anymore. For the first time, when we brought on a new staffer, we had a conversation about safety.”

■ **Approach fundraising with a stronger analysis.** Social justice organizations often bring an analysis of racism, sexism and capitalism to our work and develop organizing strategies to change systems, but are stymied at using that same lens when it comes to raising money. We can be thoughtful and intentional about who in our organization raises money, who we raise money from, and what strategies align with our values. And we don't have to do it alone. "There are organizations that liberate us from the thought that only wealthy people can fund us, and organizations that get people of wealth to face power dynamics," offered brown.

■ **Heal generational and present-day trauma.** Taij Kumarie Moteelall, director of Standing In Our Power and former executive director of Resource Generation, shared, "Gender-based violence impacts all of us—experiencing it, witnessing it, having it happen in our communities. It shapes us, and when we don't center our own healing and wellness, we perpetuate it." To help people begin healing, "We create safe spaces for truth-telling, opening up, and releasing trauma. We explore how internalized trauma and oppression affects how we show up and our beliefs—and we reexamine them to see how we need to shift."

■ **Establish boundaries with donors.** Said Olm, "Part of the work of organizing donors is establishing boundaries with them. 'No, we don't do that, here's why.' Part of my job is training donors, interrupting habits, teaching them how to show up in a way that's better. We have to be serious about building transformational relationships." Shira Hassan, former director at Young Women's Empowerment Project, helped lead organizational changes in how they interact with donors after experiencing predatory behavior. This included amending their gift acceptance policy, communicating clear expectations for donors and guests who interact in-person, and having a safety team at all events.

■ **Know your rights.** One organization faced a dilemma when their staff member who was sexually assaulted by a donor didn't want to engage in any accountability process but the perpetrator kept trying to stay in relationship with the organization. The staff wanted to have nothing to do with this person, and the board was concerned about the organization being vulnerable to a defamation lawsuit if they confronted the perpetrator with the allegations. They sought pro bono legal advice to help them navigate the situation, and, with the help of an attorney, drafted a letter to

the donor stating that they were cutting off contact (without accusation) along with a refund of their most recent gift. "Be proactive and seek out legal help," advised the organization's director. "You can support survivors and follow your values without leaving your organization open to a lawsuit."

■ **See investing in our work as a professional activity.** We are taught that the right way to do fundraising is by making it fun, such as throwing a party, serving alcohol, and letting loose. This is not wrong, but it can contribute to a dynamic where boundaries are blurred and power goes unacknowledged. Said brown, "The conversation on the table is that you have money and you're trying to decide if what I have is worth investing in. That should happen in an office setting. Our culture is to pitch you while you're toasty. That fundamental set up is flawed and couches it in the wrong kind of exchange."

■ **Encourage funders to address inequity in all their practices.** Sexual harassment in fundraising is just one way that power gets played out in the philanthropic world. If that feels like a difficult place to start, there are many other places to begin the conversation. Rye Young, executive director of Third Wave Fund, shared, "Sexual assault is part of a larger context of abuse of power and exploitation. As funders, the very premise we operate under is imbalanced and we are likely exploiting this power difference without even thinking about it—like grant agreements where the relationship is defined 100 percent by the funder from the get go. At Third Wave, we use informed consent processes for multi-year grants. We create regular staff-free spaces so grantees can provide honest feedback. We started reimbursing groups we ask to apply who don't receive funding to recognize their labor. And we don't throw away groups or pull funding when mistakes or conflict gets exposed—they should have room to learn, grow, and fail and not be held to higher standards than larger national organizations."

■ **Learn from those who have been doing this work.** It can be daunting to address the power differentials and there is much at stake if we fail. But many groups, especially those working on the margins, have met with success in the face of formidable odds. Farmworker women, one of the most disenfranchised groups in this country, are doing amazing work with groups like Lideres Campesinas to end sexual violence in the fields. Third Wave Fund, which is led by young people of color and raises all of its money, is pushing the envelope on funder practices. Encouraged Hassan, "Give

ourselves room to stay in learning. Be willing to make mistakes and figure it out to get to the next spot. Keep coming together. The answers are coming.”

More is Needed

There is much more to explore about how power inequities show up in our organizations, in the communities in which we’re based,

ADDITIONAL RESOURCES

Association of Fundraising Professionals poll results: philanthropy.com/interactives/fundraiser-poll

Creative Interventions Toolkit: A Practical Guide to Stop Interpersonal Violence using community-based interventions: creative-interventions.org

Just Practice Collaborative provides training and resources on restorative and transformative processes: shirahassan.com/just-practice-collaborative

and in the nonprofit and philanthropic sectors. It’s also important to examine how it shows up in ourselves.

Those I interviewed told stories of being on the receiving end of inappropriate behavior, but they also shared that the experiences made them more mindful of their own conduct—the times they touched without consent even if it was “just a hug,” the times they made sexually explicit remarks in work settings. And, while many fundraisers I reached out to had never experienced inappropriate behavior and have respectful and authentic relationships with the majority of their donors and funders, we are all complicit in this culture where power is allowed to be abused and inequities allowed to be unchallenged.

Let’s continue to take advantage of the momentum of this movement moment to speak our truth, examine our organizational practices, and create new transformative visions for our work. ■

Priscilla Hung is co-director of Move to End Violence, a capacity-building initiative of the NoVo Foundation to support the movement to end gender-based violence. She sits on the editorial board of the *Journal*.

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BRIDGING THE GAP

Bridging the Gap's 25th Anniversary Gala focused on their founding roots of recycling. They threaded and hung 1,584 water bottles from the ceiling, which is the number of water bottles consumed in the U.S. each second! Guests had to push their way through the bottles to find the entrance to the ballroom.

Fortifying Your Funding After a Crisis

By Judy Ruckstuhl Wright

Author's Note: "Pat Owens" actually combines the actions of 10 different executive directors interviewed for this article. During my 15 years as a development director, I attended so many trainings and workshops that presented a systematic overview of fundraising...and would come away, head spinning from all the possibilities and to-do's, and wonder, "Yes, but what's most important? What works best? This article attempts to answer these questions.

DURING MY NINE-YEAR TENURE as executive director of the Shumaker Family Foundation, our country experienced the Great Recession, the conservative political environment leading up to it, and the painful aftermath. As a result, numerous nonprofit—mainly smaller ones—lost much of their government funding and turned to our relatively small family foundation for help. As former development officer, I couldn't help recognizing the sense of desperation behind their inquiries; and having to decline requests was the one thing that kept me awake at night.

Gradually, certain organizations distinguished themselves as becoming stronger and more stable than before the government funding rug was pulled out from under them. The following account traces how one executive director, Pat Owens, changed her approach to ensure her nonprofit would thrive short- and long-

term. Hopefully your organization is not in such desperate straits; nevertheless, you may find some of her measures helpful.

Start With the Board of Directors

Pat had just taken the helm of her nonprofit when the Great Recession struck. She discovered that the reserves had been used up and its line of credit was nearly out. Her first step was to go to her board collectively, then individually. "Emphasize that a financial crisis is nobody's 'fault'; it happens over time," she advises.

She asked the board members for help, especially in making connections. While most board members were amenable to tapping their social networks to support the organization's work, she lost a few members unwilling to take on this role. "You can't regret losing a board member who doesn't want to address current

needs,” she observed. To replace them quickly she advertised on LinkedIn, emphasizing that fundraising would be their major role. Once she had recruited some board members to fill the immediate vacancies she made a plan to engage in a more rigorous search for potential board members with corporate connections, relationships with wealthy people, or their own deep pockets.

To equip her board to help her, she worked with board and staff to simplify verbiage of the organization’s mission. They ended up with: *Equipping parents to parent skillfully, thereby strengthening families and preventing child abuse*. “This can go on letterhead or in anything else,” she explained, “and accurately reflects what we do and why. Everyone wants to prevent child abuse.”

Concurrently, she worked with her staff to consolidate and simplify their program evaluations, so a non-social services professional could understand the impressive effectiveness of their programs. “Impact drives income and money only comes when you prove you’re making an impact,” she observed. “And people need to be able to understand your value. Your board members need to be able to explain it over coffee or lunch or wine.”

Foundations Next

Pat knew that private foundations most often provide the immediate lifeline for organizations that have lost their principal funding.

She started by identifying ALL significant donors and why they donate. “You have to enjoy making the puzzle pieces fit together: What does a particular funder want to hear from me? What will turn the key?” She did an apology tour to their 25 largest donors, explaining their financial situation and the changes she was making to ensure their funds would be wisely utilized in the future. Twenty-four of these continued their support.

She applied for every single grant opportunity she could find and talked with every high-net worth individual she encountered who might find the mission meaningful. Pat emphasized that there has to be adequate motivation for such a direct approach: “You have to be scared and driven enough to do it this way. That 2 a.m. feeling in the pit of your stomach is the worst!” She also contracted with an excellent grant writer for major grants.

Next, Pat identified foundations with similar missions as her nonprofit that did not accept unsolicited grant requests. She called and asked how to get on their request list, and gained two of their most reliable supporters this way.

At one point she landed a very big three-year grant. She immediately started putting together organizational charts and financial plans for after its inevitable termination. She shared them with her board every year; it took the board 3 1/2 years to take this seriously. When the grant ended without overt warning they were prepared. One of Pat’s most significant practices is that she always

creates a backup plan, which fleshes out a worst-case scenario, even if she never shows it to anyone else.

Individual Donors

Pat knew to make fundraising from individual donors a central part of her strategic plan. As soon as her board and staff had received fundraising training, she asked them to make the first dollar commitments.

Next, she hired a part-time development person to do the back-ground work (donor research, materials and meeting preparation, drafting thank you letters, etc.) required for this component of fundraising. Knowing the crucial nature of donor stewardship, she and the development person built this into the individual-donor campaign from the beginning.

In order to unite different sectors of the organization around the central importance of fundraising, Pat established a fundraising committee consisting of board members, community members, a community foundation member, and volunteers. Above all, they identified leads for her to pursue with a board or committee member. “Understand this as a process,” she notes; “you’re planting seeds along the way and you have to cultivate those seeds. Eventually, your donors become your voice and your advocates. Also, meeting with major donors and potential ones is so important I do it myself, though our development associate does the background work and often a board member or an articulate, willing former client accompanies me.”

Her development associate created and maintained all online and social media fund solicitation, since this generally brought in small sums. Later she would add a committee that focused on in-kind donations, separate from the committee targeting financial contributions.

Special Events

Like many executive directors, Pat considered special events as a tremendous amount of work for the funding they bring in but the only way to connect with a group of people who may become friends, advocates and financial supporters. “It helps you capture dollars you can’t get in any other way. It’s also great for enlisting people to make small recurring donations, which can be a lifeline.” Since her nonprofit had never done special events they started small, with a low-cost cocktail party and silent auction on a weeknight.

Volunteers

Pat knew the importance of volunteers and an excellent volunteer manager, so she hired a part-time person as soon as the budget allowed. He recruited through Facebook, volunteer websites, com-

panies' team building websites, annual mailings to big churches and companies, volunteer fair days sponsored by big local companies, and service organizations like Rotary Club. They made a point of letting the volunteers know that the organization counted on dollars and volunteers from the community. They told clients' stories to emphasize the significance of their work. By design, much volunteer work served as team building experiences for corporate teams. It was not super-intense, so volunteers could talk, create competitive teams, and easily see the results of their work. This helped enormously with corporate fundraising.

Earned Income

Collectively, the staff increased the earned income stream by intensifying the marketing of their classes for future parents, to hospitals, medical practices, and other nonprofits.

After fifteen months of really intensive work, the organization was in the black, it had an enthusiastic fundraising board, and the staff were delighted to be part of the organization. No resting on laurels, though: Pat knew that all efforts had to continue forever. Including, she said, "keeping a notepad by the bed for those 2 a.m. ideas."

Postscript: Five years later this organization is still going strong, and Pat has moved to a larger one in need of a turnaround.

Great thanks to the following people, who so generously gave me their time and wisdom:

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- Lisa Mizell, Amethyst Place, Kansas City
- Kristin Riott, Bridging the Gap, Kansas City
- John Teasdale, Happy Bottoms, Lenexa, KS. ■

Judy Ruckstuhl Wright has written freelance for three decades in conjunction with her "day job," focusing on how to solve problems. Her topics have ranged from accessorizing on a tight budget, to taking care of frail elderly loved ones, to restoring antique cars. She is currently working on shared housing guidelines for people over 65.



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Raising Funds From Giving Circles

Opportunities & Challenges of a Rising Collective Giving Model

By Jason Franklin, PhD

A CONSTANT DRIVE IN FUNDRAISING IS TO IDENTIFY and reach new donors, to expand our base of support. One place to look, especially for local nonprofits, are giving circles (GC), increasingly popular tools for donors to come together to pool their funds and find and give to causes they care about. According to research I conducted with Angela Eikenberry, Julia Carboni, and Jessica Bearman, fellow members of the Collective Giving Research Group (CGRG), giving circles and other collective giving groups have tripled in number since 2007 to over 1,600 active circles working in all 50 states today. *(See Figure 1 on next page.)*

Giving circles and similar models of collaborative giving entail groups of individuals who collectively donate money and sometimes unpaid time to support organizations or projects of mutual interest. We define them as giving vehicles where members prin-

THE DIVERSITY OF SCALE AND SCOPE OF GIVING CIRCLES IS WHAT MAKES THEM BOTH EXCITING NEW VEHICLES IN THE PHILANTHROPIC LANDSCAPE AND CHALLENGING ONES TO DEVELOP A CULTIVATION STRATEGY FOR.

cipally come together to pool and give out donations through a process in which they have a say in how funding is given and which organizations or projects are supported. These circles range in scale from a handful of friends coming together to each contribute \$50 or \$100 apiece to make a \$1,000 grant, to thousands coming together to give out hundreds of thousands a year, or even

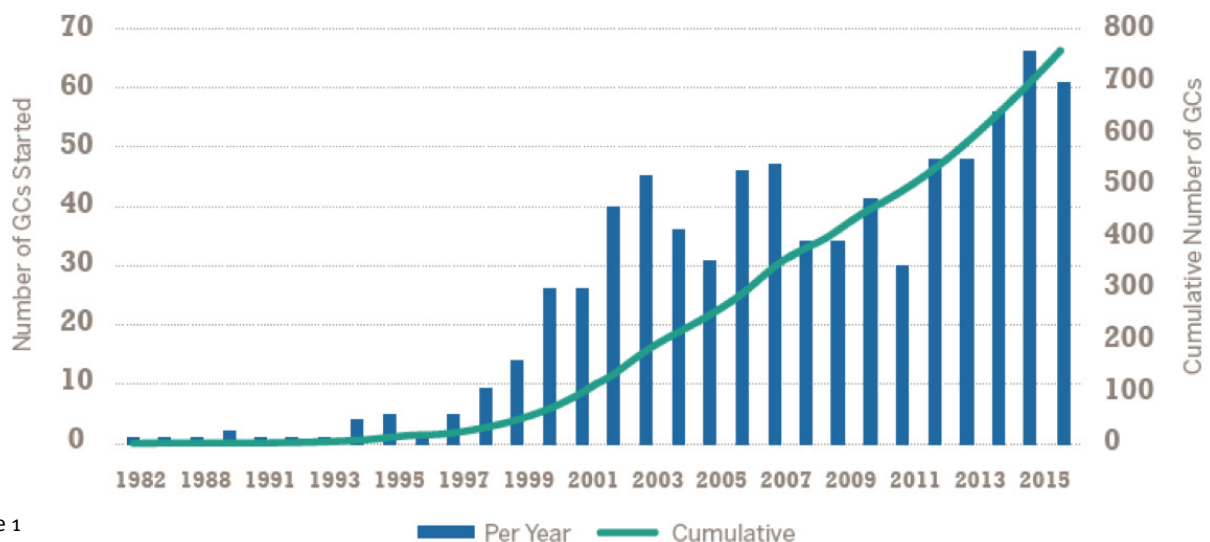


Figure 1

small groups coming together to give \$1 million or more each through a collective process. The diversity of scale and scope of giving circles is what makes them both exciting new vehicles in the philanthropic landscape and challenging ones to develop a cultivation strategy for.

As a first step towards helping the field better understand this increasingly popular approach to giving, the CGRG, with support from the Bill & Melinda Gates Foundation through the Women's Philanthropy Institute at the Indiana University Lilly Family School of Philanthropy and from the Charles Stewart Mott Foundation, conducted the first investigation into the scope and scale of collective giving groups in the United States in almost a decade resulting in a recent new report, *The Landscape of Giving Circles/Collective Giving Groups in the U.S.-2016*, which can be found at bit.ly/givingcirclesreport. Data presented in this article are drawn from this report unless otherwise noted.

The Giving Circle Landscape

We estimate that giving circles engaged at least 150,000 donors in all 50 states in 2016 and have given as much as \$1.29 billion since their inception. Out of 358 GCs who shared data about their giving in 2016, they moved a combined \$28 million of which 85 percent stayed in their local communities. A majority of giving circles are created around a particular identity—including groups based on gender, race, age, and religion. Almost half of all circles today are women's circles and our research shows significant growth in Jewish, Asian/Pacific Islander, African-American and Latinx circles in the past decade. They have proven to be a powerful tool to democratize and diversify philanthropy, engage new donors and increase

local giving which has brought rising attention to giving circles as another possible cultivation prospect for nonprofit leaders across the sector. As we consider fundraising from giving circles, some aspects of the diversity of these circles is important to keep in mind:

■ Giving circles are becoming more inclusive with donors from a wide range of income levels.

Giving circles have always provided avenues for those without substantial means to participate in significant giving, but this latest research suggests that GCs now attract members from a wider range of income levels than ever. Today, minimum dollar amounts required for participation range from less than \$20 to \$2 million, and the average donation amount was found to be \$1,312—compared to \$2,809 in 2007. (See Figure 2 below.)

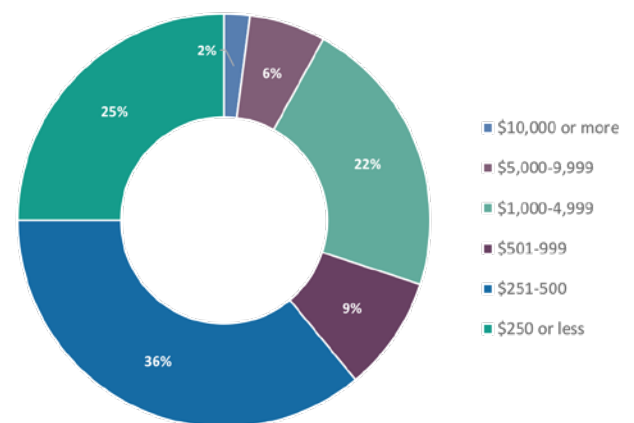


Figure 2

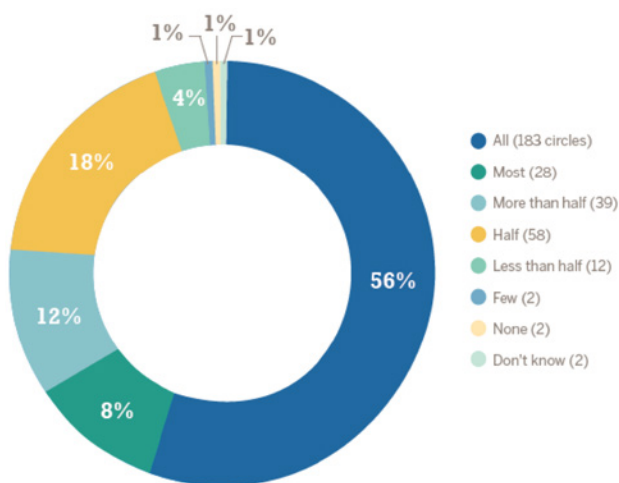


Figure 3

■ **Women dominate giving circle membership, making up 70 percent of all members.**

This collective model of giving is particularly popular among women. While men have a presence in 66 percent of giving circles, they are only the majority of members in 7.5 percent of groups. (See Figure 3 above.)

■ **Issue priorities among giving circles mirror broader priorities of the American public.**

Most giving circles give to their local communities and the issues that they fund are very similar to broader national trends with human services as the most commonly cited priority. The funding of projects related to women and girls follows, which is higher than national averages likely due to the high number of women's circles, followed by other traditional national priorities of education, youth and health. (See Figure 4 below.)

Fundraising From Giving Circles

The first key to raising funds from a giving circle is to identify one or more that are a good fit to support your work. The CGRG has compiled a basic listing of all publicly-identified giving circles, which can be accessed at bit.ly/GivingCirclesList. This site is probably the best place to begin your search. Additionally, since over 50 percent of all giving circles are hosted by a community or public foundation, if you run a local organization it's worth checking to see if your local community foundation, United Way, Jewish Federation, women's fund or other public foundation hosts one

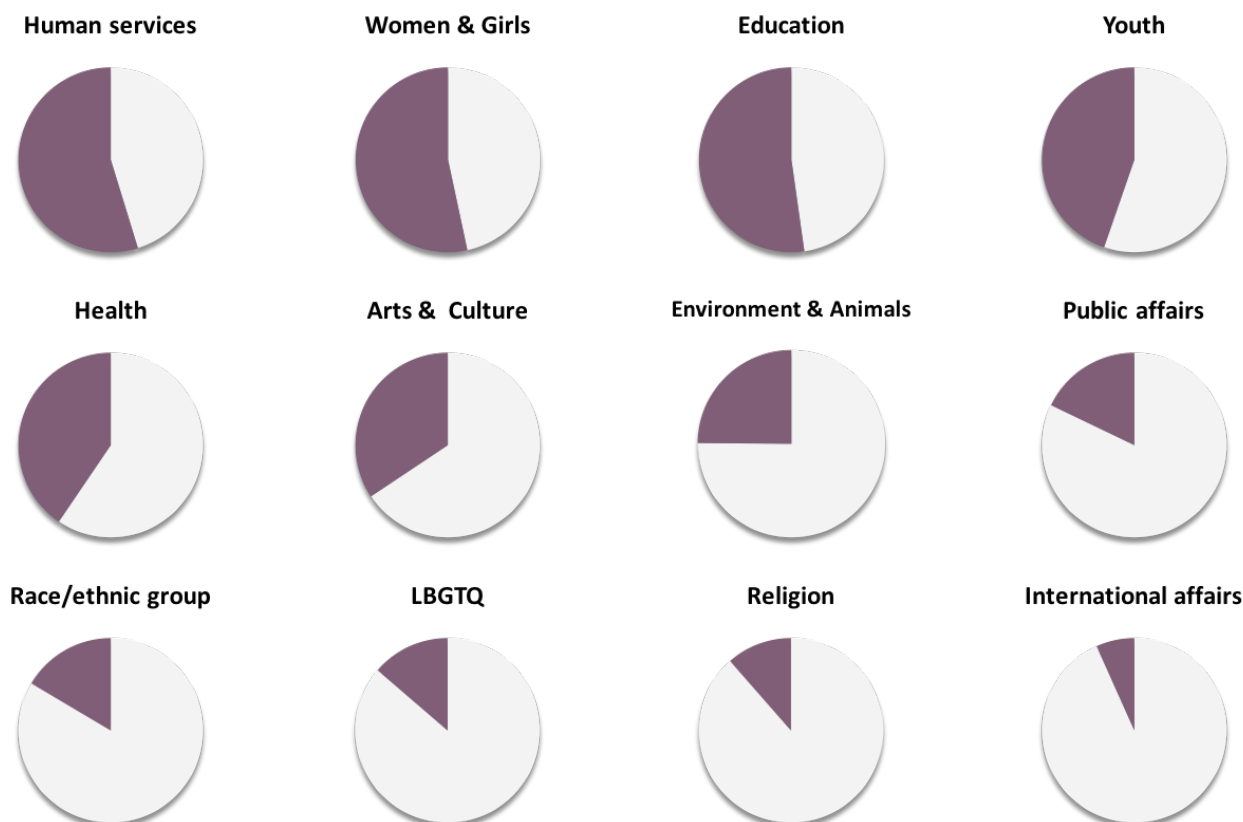


Figure 4

or more circles. Finally, and especially if your work focuses on supporting women and girls or a particular identity community with many giving circles (Jewish, Asian/Pacific Islander, African-American and Latinx communities), reviewing the member circles that are part of one or more national networks can help you identify local and national circles that may fund your work. A listing of giving circle networks has been developed by Amplifier (a network of Jewish giving circles) and is available at amplifier-giving.org.

Once you've identified one or more prospective circles that might be a good fit, your next step is to determine how to approach them for support. Many giving circles have formal application processes that they run independently or in partnership with their hosting foundation, and a few utilize a shared application

individual donors, and their funding process can often feel like a hybrid of the informal relationship-based cultivation of a major donor and the formal application and review process of a community or private foundation.

After the Gift

One of the biggest hopes of nonprofit leaders as they engage with a giving circle is that, beyond receiving financial support, they may find the opportunity to engage the circle members as possible new individual donors, volunteers, and eventual leaders in their work. Indeed, in our interviews with GC leaders across the country we heard regular stories about members discovering a nonprofit through the circle and later becoming ongoing donors, volunteers, and even board members. Based on a series of inter-

REMEMBER THAT GIVING CIRCLES ARE A FORMAL OR SEMIFORMAL GIVING STRUCTURE OF INDIVIDUAL DONORS, AND THEIR FUNDING PROCESS CAN OFTEN FEEL LIKE A HYBRID OF THE INFORMAL RELATIONSHIP-BASED CULTIVATION OF A MAJOR DONOR AND THE FORMAL APPLICATION AND REVIEW PROCESS OF A COMMUNITY OR PRIVATE FOUNDATION.

like the one run by Amplifier for Jewish giving circles. Other circles operate on a more informal basis, and the best way to connect with them is to simply reach out to share information about your work and request that they consider you in the future for support. It's also possible that one or more of your current donors and other stakeholders are already members of the circle and would be willing to suggest your organization as circle members consider possible grantees.

As you pursue support from giving circles, a word of caution about the importance of realistic expectations. Most circles only give out one-year grants (with the notable exception of a few formal processes like that of Social Venture Partners), and have a practice if not a formal requirement of changing grantees annually as they learn about new groups and follow the collective priority setting of their membership. Also, the application and review processes of giving circles run the gamut from very informal to highly structured and are not always matched to the level of funding. Some circles prioritize learning for members and may ask nonprofits to go through an extensive review process for the sake of that education, which may not align with the scale of work required to raise an equivalent foundation grant. Remember that giving circles are a formal or semiformal giving structure of

views with nonprofit leaders about the particular dynamics of GC fundraising, Angela Eikenberry reports that giving circles "also can bring to the funding recipient the introduction of giving circle members with contacts to others in the community, new volunteers, a seal of approval, and other capacity building resources."¹ However, nonprofit leaders who have received support from giving circles have also noted that building these relationships can be challenging as Eikenberry later noted in the same reflection:

Over half of those interviewed brought up that it is difficult or impossible to connect with individual donors in the giving circle—either by design or by default. Some giving circles actively discourage funding recipients from following up with or cultivating their members for individual gifts by not sharing the member mailing list or not even allowing funding recipients opportunities to interact with giving circle members. Others noted that they were not explicitly told they could not cultivate individual members, but they got the impression that it was not acceptable behavior."²

1 Eikenberry, A. (2007) *Giving Circles and Fundraising in the New Philanthropy Environment, Final Report*. Association of Fundraising Professionals.

2 Ibid.

What then is a nonprofit leader to do? As with all fundraising, communication and persistently polite cultivation are key. Make sure to offer thoughtful and clear reports on all giving circle reports as these are generally shared back with the membership, offer highlights of key successes to your circle contacts that are

proactively matches members to volunteer with supported nonprofits, Guthrie and Bernholz found that almost 60 percent of SVP members who got involved with an individual nonprofit reported that they made additional financial contributions beyond their gift through SVP, and the majority indicated that they expected

FINDING BOTH QUICK AND EASY AND DEEP AND MEANINGFUL OPPORTUNITIES FOR VOLUNTEER ENGAGEMENT ARE ALWAYS CHALLENGING BUT AS THEY EMERGE, GC MEMBERS ARE A PRIME AUDIENCE TO RECRUIT.

in easily shareable formats for them to disseminate, and offer invitations to donor briefings and appreciation events for all circle members (not just one representative) if possible.

On the flip side, some circles proactively seek to engage with their grantees more deeply and when those possibilities exist, smart nonprofit leaders take advantage of this support. In an evaluation of the Social Venture Partners (SVP) model, which

to keep volunteering and or donating to the group after it had completed its cycle of support.³ Finding both quick and easy and deep and meaningful opportunities for volunteer engagement are always challenging but as they emerge, GC members are a prime

³ Guthrie, K., Preston, A., & Bernholz, L. (2003). *Transforming philanthropic transactions: An evaluation of the first five years at Social Venture Partners Seattle*. ■

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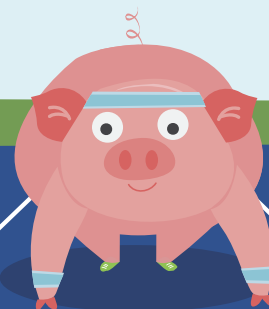
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audience to recruit. Additionally, some nonprofits have reported success with other collaboration opportunities such as asking circle members to share personal stories of why they are excited about the work to promote an annual campaign or promoting the group to their networks as part of a giving day.

Giving Circles: The Bottom Line

As their popularity continues to rise, connecting to GCs in your community or those supporting the issue you work on can offer a new type of funding support. Unless you get support from a larger formal GC like an Impact 100 or SVP chapter, these grants are unlikely to be transformative for your organization, but they can bring in valuable new dollars, serve as a seal of approval especially in local contexts, and potentially connect you to new donors and broaden your base of support. Ultimately, fundraising from giving circles offers yet another way to engage new donors and build support for your work... the perpetual work of every nonprofit fundraiser and leader.

Jason Franklin is the W.K. Kellogg Community Philanthropy Chair at the Johnson Center for Philanthropy at Grand Valley State University, and serves as board chair of the Proteus Fund. Jason is also co-founder and co-chair of the Solidaire donor network.

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