

Giving Circles:

One of the Most Important Trends in
Fundraising
You've Never Heard Of



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Giving Circles: Webinar Overview

- Definitions
- Historical Context
- Emerging Societal Trends
- What they Mean for Us
- Next Steps



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What's a Giving Circle?



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Definition time . . .

A giving circle is a small, informal group of 8-12 individuals who pool their funds together for charitable purposes. They meet regularly to socialize, determine giving priorities, consider options and make combined charitable gifts.



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Source: Eikenberry, Angela M. 2009. Giving Circles. Indiana University Press. Bloomington, IN.

Lots of Flavors . . .



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Source: Rutnik, Tracey A. and Jessica Bearman. 2005. "Giving Together: A National Scan of Giving Circles and Shared Giving". © 2005 Forum of Regional Associations of Grantmakers.

So what do they do exactly?



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You may have questions . . .

- Shouldn't we just ignore giving circles?
- Should we encourage donors to start a giving circle to support us?
- How can we leverage existing circles for our organization?



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BIG IDEA #1

Champions *will* engage in ministry, finding ways around you if necessary.



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BIG IDEA #1a: This is as it should be

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THE TEN PRINCIPLES OF TRANSFORMATIONAL GIVING

Principle 1: Every act of giving is first and foremost a statement about the faithfulness of God.

Principle 2: Transformational giving is based on the abundance and trustworthiness of God, not a theology of scarcity.

Principle 3: It is better to give than to receive.

Principle 4: Champions connect with organizations for the purpose of enhancing their mutual impact on the cause, not primarily for the purpose of funding organizations to impact the cause on their own.

Principle 5: Transformational giving relationships between champions and organizations are primarily peer-level accountability relationships, not friendships or organizational support relationships.

Principle 6: The champions, not the organization, is called to be the primary means of advancing the cause within the champion's spheres of influence.

Principle 7: The relationship between champion and champion is as important as the relationship between champion and organization.

Principle 8: Giving is not the process but rather the result of the process of a champion being comprehensively coached to share the cause effectively within his or her sphere of influence.

Principle 9: Giving is learned, not latent in champions.

Principle 10: Champions connect with each other and with organizations not according to the amount of their giving but by the degree of comprehensive personal ownership they are exhibiting in the cause.

Champions work with organizations to jointly impact the cause.

Eph. 4:11: God gives apostles, prophets, evangelists, pastors, teachers to prepare God's people for works of service."



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1960s: What participation was



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1960s and prior: Participatory Philanthropy

- Intense civic commitment
- Interpersonal solidarity
- Marches, rallies, sit-ins, drives, etc.
- Community ownership of service provision
- Philanthropy as social interaction



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1970s to 2000s: What philanthropy became



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1970s and onward: Consumption Philanthropy

- More individualized
- Less committed
- Less engaged
- Participation by proxy
- Professionalization of service provision
- Mass fundraising
- Philanthropy as transaction



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Case Study Contrasts: Sierra Club v. Rotary Club

	Sierra Club	Rotary Club
Membership Requirement	Give one gift within past two years	Attend 60% of weekly meetings
Texas "Members"	24,000	27,000
TX members who actually participate	3,000	27,000



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Source: Putnam, Robert D. 2000. *Bowling Alone*. Simon & Schuster. New York.

BIG IDEA #2: Everything old is new again . . .



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2010s and onward: Giving Circles

- Revisitation of philanthropy-as-participation
- Technology providing increasing opportunities for direct involvement
- Do-it-yourself philanthropy
- Social/communal benefits to participants
- Need for training, equipping, coaching, encouragement, exhortation



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For Profit: Linux

- Created in 1991 by student
- Open format operating system software, freely available
- 1000s of highly-talented and motivated people have improved it
- Used in 91% of world's top 500 supercomputers



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Publishing: Wikipedia

- Created in 2001
- Initially used peer-review process with highly qualified authors
- 12 articles in first year
- Today more than 3 million
- Comparable in accuracy to Encyclopedia Britannica



WIKIPEDIA
The Free Encyclopedia



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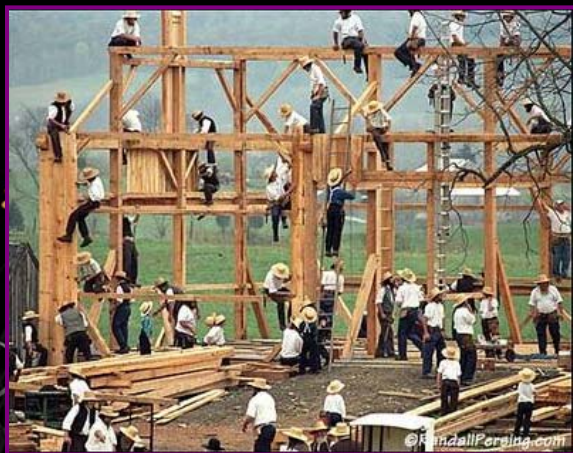
Nonprofit: Kiva.org

- Created in 2005
- Microfinancing nonprofit founded in San Francisco
- 2010: \$40 million in loans
- Founded to connect lenders directly with borrowers



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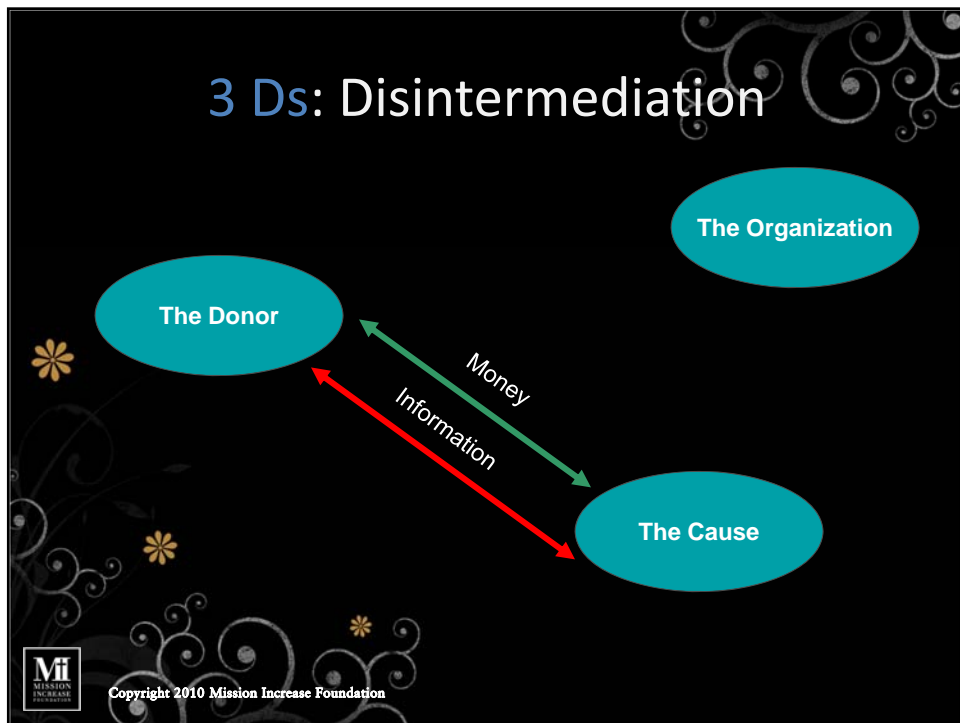
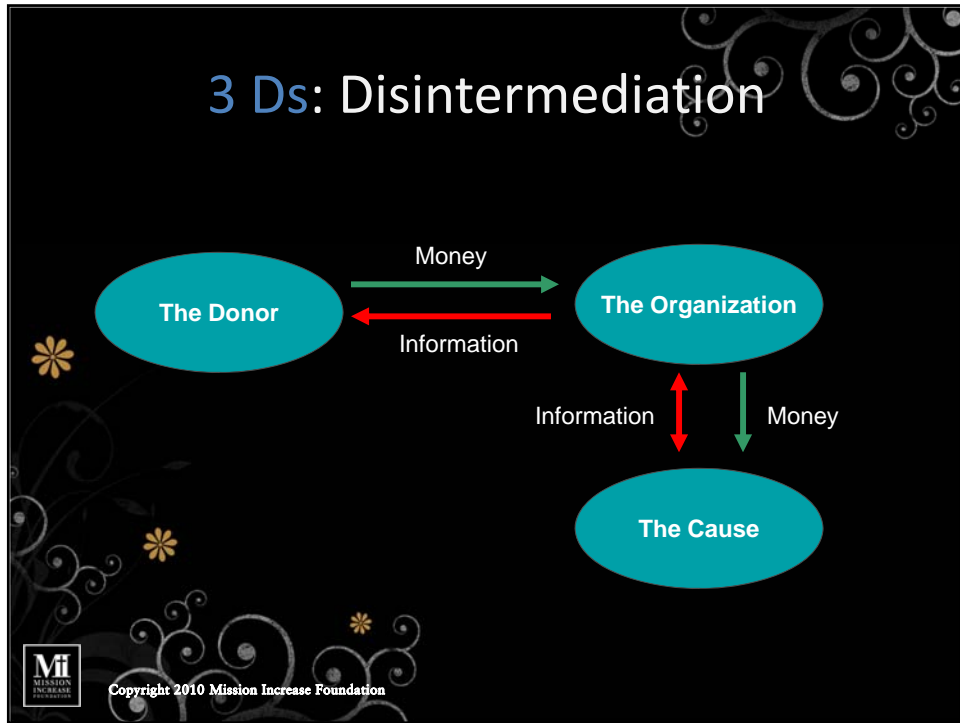
3 Ds: Direct Involvement



- We are social creatures
- We want to get in the game
- We like to master new skills



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3 Ds: Disintermediation

« Be the Stage »

Audience = Champion's sphere of influence

Performer = Champion
Performance = Meaningful activity in the cause

Stage = Organization

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3 Ds: Discipleship Need

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- Principle 7: The relationship between champion and champion is as important as the relationship between champion and organization.
- Principle 8: Giving is not the process but rather the result of the process of a champion championing a cause within his or her sphere of influence.
- Principle 9: Giving is learned, not latent in champions.
- Principle 10: Champions connect with each other and with organizations according to their missions or cause, giving, but by the degree of comprehensive personal ownership they are exhibiting in the cause.

BIG IDEA #3:
People will engage directly in ministry; they won't necessarily do so effectively.

TG #9: Giving is learned, not latent.

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Two options for your nonprofit

Institution	Movement
Institution impacts cause	Members impact cause
Leadership top down	Leadership distributed
Need for support and resources	Need for facilitation, direction, coaching
Focused on institutional stability	Focused on impact in cause



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Movements require empowered participants

Philippians 2:3-4

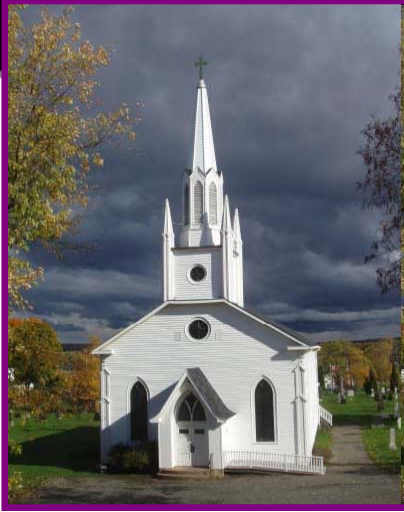
In humility consider others better than yourselves. Look after their interests as well as your own

- Don't seek to leverage giving circles for your ministry, seek to leverage your ministry for giving circle members.



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You should already be doing this for the giving circle down the street . . .

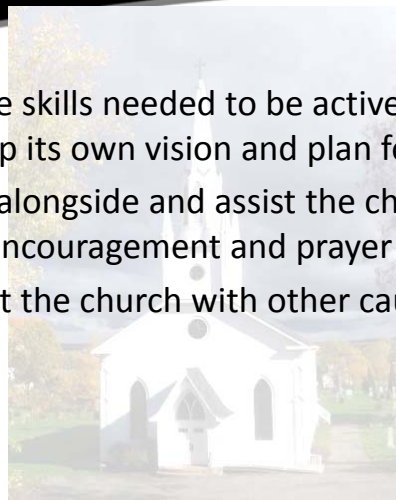


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- Among other things, your local church has functioned for years as what is now being called a giving circle
- Therefore, you should treat giving circles as you treat the church.

So what do we do with the church?

- **Equip:** Teach it the skills needed to be active in your cause. Assist it to develop its own vision and plan for impact
- **Encourage:** Walk alongside and assist the church when it stumbles. Offer encouragement and prayer
- **Network:** Connect the church with other cause leaders.



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Concluding Thoughts

- Giving Circles are an old/new form of participatory philanthropy
- Just because people engage directly in philanthropy doesn't necessarily mean they are effective in doing so
- Successful nonprofits will offer a platform for people to effectively champion causes



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Next Steps

- Work with your Mission Increase Foundation Giving and Training Officer to implement a comprehensive donor discipleship fundraising plan to account for your interactions with churches and giving circles
- Board workshops in September
 - Consulting calls as follow-ups



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