



Rationale for Giving Circle

Common wisdom falsely claims that Black Americans and other marginalized groups rest comfortably on the demand, rather than the supply side of philanthropy. Taking and consuming, rather than giving and sharing. This erroneous view is completely exposed when one examines the historical, cultural, and religious values and practices of these groups.

Deeply imbedded in, for example, the African American Community is the belief that every person nurtured and supported by the extended family or greater community should prepare themselves to give back and help someone else along the way. This value continues to manifest itself in that:

- ✓ African Americans give 8.6 percent of their discretionary income to charity---more than any other racial group in America.
- ✓ Further, African Americans donate 25 percent more of their discretionary income than do Americans of European descent.
- ✓ Nearly two-thirds of African American households give to charity more formally, to the tune of \$11 billion each year.

Yet, despite this effort, there are growing needs in the Black community not being addressed adequately by governmental or traditional non-profit funding institutions, thus requiring additional, creative strategies to reduce the negative economic, educational and social impacts resulting from these unmet needs.



Need for Giving Circles

Increases in socioeconomic indicators (e.g. housing foreclosures, unemployment, homelessness, hunger, etc.) and declining support for education and community development have disproportionately impacted the Black community nationally, and specifically in South Carolina. Politics and both the federal and state levels have effectively reduced the effectiveness of the already limited resources from government established to address these needs. Nonprofit agencies that even in good times struggle to fill the gap between needs and resources often display a surprising lack of capacity to identify and effectively address needs at the local, grass-roots level in smaller, disadvantaged communities.

Aaron Dorfman, National Committee for Responsive Philanthropy's executive director, comments about a recent study of foundations:

“Sadly, while there are notable exceptions, the numbers show that foundations generally fail to provide significant support for low-income communities, communities of color and other marginalized groups...grant making for ethnic minorities is low and is not growing at the same rate as overall giving.”

Giving Circles represents a creative, non-bureaucratic, relatively low-cost, and effective way to address localized needs, where the relationship between donor and recipient is both real and authentic. And, where the distribution of funds and resources is transparent...where a higher percentage of those resources are more likely to reach their target.



Benefits of Giving Circles

According to a Forum of Regional Associations of Grantmakers study, 140 giving circles nationwide have raised nearly \$90 million in the last five years, focusing on women, youth development, education, and health/nutrition. However, this is not the only benefit accruing to people and institutions:

Community

The community at large benefits because:

- ✓ Giving Circles build on traditions of collective action, mutual aid and self-help, values so familiar to Black and other racial/ethnic groups.
- ✓ Giving Circles embrace a more inclusive approach at every level of participation.
- ✓ Giving Circles combine the opportunity to connect with the impulse to give back.
- ✓ Giving Circles provide a great way for members to learn about critical community issues and needs, and to become exposed to different nonprofit organizations.

(more...)



Benefits of Giving Circles

Donors

Those who participate in giving circles value the personal benefits that the circle gives them:

- ✓ A deeper level of involvement with nonprofits by creating partnerships through the giving circle
- ✓ A better sense of the return on investment in nonprofit organizations through ongoing involvement
- ✓ Deepening understanding of issues important to donors through education programming with the giving circle
- ✓ Networking and socializing with individuals with shared values and concerns
- ✓ Hands-on grantmaking experience

Charitable Organizations

These nonprofit entities can enhance their work because:

- ✓ Pooled dollars invested towards a key issue have a far greater impact than smaller, individual gifts
- ✓ The group as a whole brings collective “know-how” to its volunteerism and philanthropic investment.
- ✓ Philanthropic assets available to a community increase by engaging new donors and by providing an innovative way for existing donors to give more