

See discussions, stats, and author profiles for this publication at: <https://www.researchgate.net/publication/249677156>

Giving Circles: Growing Grassroots Philanthropy

Article in *Nonprofit and Voluntary Sector Quarterly* · September 2006

DOI: 10.1177/0899764006287482

CITATIONS

31

READS

677

1 author:



[Angela Eikenberry](#)

University of Nebraska at Omaha

70 PUBLICATIONS 1,649 CITATIONS

[SEE PROFILE](#)

Some of the authors of this publication are also working on these related projects:

Project

The landscape and impact of giving circles in the U.S. [View project](#)

Project

Critical Perspectives on Nonprofit and Voluntary Organization Management [View project](#)

RESEARCH NOTE

Giving Circles: Growing Grassroots Philanthropy

Angela M. Eikenberry

Virginia Polytechnic Institute and State University

Giving circles entail individuals pooling money and other resources and then deciding together where to give these away. More than this, they educate members about community issues, engage members in voluntary efforts, provide social opportunities, and maintain independence from any particular charity. This article reports on an exploratory study of giving circles in the United States, addressing the questions: What are giving circles and their impacts and how are they unique to the new philanthropy environment? The article concludes by discussing the implications of the giving circle movement for philanthropic and nonprofit professionals.

Keywords: *philanthropy; giving circles; voluntary associations*

There has been revived attention to community in recent years (Putnam, 2000; Staeheli, 1997), especially at the local level in the United States (Fung, 2004; Kemmis, 1990). Embedded within this larger societal focus, several claim a new era has begun in American philanthropy (see, e.g., Bianchi, 2000; Byrne, 2002; Cobb, 2002; McCully, 2000; Schweitzer, 2000; Streisand, 2002). This “new philanthropy” is unique in that it is more engaged, guided by individual donors with an emphasis on collaboration; hands-on, unconventional modes of giving and volunteering; and a focus on small organizations and grassroots, entrepreneurial problem solving (McCully, 2000). Leading the shift in philanthropy are what some have called “new and emerging donors” (The Philanthropic Initiative, 2000, chap. 4). Dissatisfied with the mainstream approach to philanthropy, these donors have sought out a more engaged philanthropy (Briscoe & Marion, 2001; deCourcy Hero, 2001; Grace & Wendroff, 2001, chap. 7; Wagner, 2002). As noted by one of these donors, “the traditional approach of writing a check to a charitable organization or serving on a board did not seem very fulfilling. There was a desire to be more engaged in the process of giving back” (Brainerd, 1999, p. 502).

Note: The author would like to thank reviewers and editors of *NVSQ* for their helpful comments.

Nonprofit and Voluntary Sector Quarterly, vol. 35, no. 3, September 2006 517-532

DOI: 10.1177/0899764006287482

© 2006 Association for Research on Nonprofit Organizations and Voluntary Action

A funding mechanism to emerge within this environment is the "giving circle." A *giving circle* has been described as a cross between a book club and an investment group and entails individuals "pooling their resources in support of organizations of mutual interest" (Schweitzer, 2000, p. 32). More than this, as discussed in more detail below, giving circles include social, educational, and engagement components that seem to connect participants to community, perhaps to a greater degree than other forms of philanthropy.

It is impossible to say how many giving circles exist in the United States because of their grassroots nature. More than 225 giving circles have been identified by this author, though there is strong indication that many more exist. Giving New England has distributed hundreds of "Giving Circle Starter Kits" (Kong, 2001), the Women's Philanthropy Institute has published a popular handbook on *Creating a Women's Giving Circle* (Shaw-Hardy, 2000), and New Ventures in Philanthropy, an initiative of the Forum of Regional Associations of Grantmakers to identify and share strategies and tools for increasing philanthropic assets in the United States, recently created an online Giving Circle Knowledge Center (Forum of Regional Association of Grantmakers, n.d.). This is matched with the effort by several philanthropic institutions across the country to promote giving circles as a means for improving and increasing philanthropy in their communities (see, e.g., The Baltimore Giving Project, 2000; "Start a Giving Circle," 2003). Finally, New Ventures in Philanthropy identified at least 220 giving circles and estimates that they have been able to locate only one of every two or three giving circles nationally (Rutnik & Bearman, 2005, p. 5).

Little research, beyond studies on specific types of giving circles (Community Wealth Ventures, 2002; Jovanovic, Carolone, & Massood, 2004), case studies for use in the classroom (Ahn, 2003; Sbarbaro, 2002; Stanford University, n.d.), organizational evaluations (Guthrie, Preston, & Bernholz, 2003; Orloff, 2002), and reports or manuals for philanthropic practitioners to help them promote and create giving circles (Clohesy, 2004; Rutnik & Bearman, 2005; Rutnik & Beaudoin-Schwartz, 2003), has been done to understand giving circles and their broader impacts. Scholars such as Peter Frumkin have pointed out the need to study emerging forms of philanthropy, including giving circles (Frumkin, Long, Hammack, & Ostrower, 2004). Thus, this article offers a comprehensive picture of the giving circle movement in the United States and addresses questions about their impacts, uniqueness to philanthropy, and implications for philanthropic and nonprofit professionals.

RESEARCH DESIGN

The research design for the current study used a qualitative framework comparing and contrasting several types of giving circles. A qualitative design was appropriate because the current study explored a new area where little is known (Creswell, 1998, p. 17) and sought to understand complex issues or

processes within their contextual environment (Marshall & Rossman, 1995, p. 43). In addition, because no list or contact information for giving circles existed at the start of the current study, a qualitative approach was necessary as a first step. Primary data were gathered from a purposefully selected sample of giving circle leaders and/or members or staff (some of whom are also members) of several types of giving circles, a purposefully selected group of philanthropic professionals creating or providing support to giving circle members, and self-selected members of one case study giving circle. To determine the sample, a database of giving circles was created. Groups included in the database were those that described themselves, or were described by others, as giving circles. Donor circles—fund-raising efforts initiated by a particular charity where donors have no significant voice in how the funds are used—were not included in the database. Four characteristics—membership fee, organizational structure, size of membership, and activities—were taken into account to preliminarily categorize giving circles, and from this, a representative sample was drawn to gain maximum information and understanding about giving circles' processes and impacts.

Primary data were gathered through in-depth, semistructured personal interviews; telephone interviews; and document analysis. A total of 30 individuals were interviewed for the current study. Giving circle leader/members (10), staff/members (3), staff (3), members (7), and philanthropic professionals (7) were located across the United States. Interviews took place between April and September 2004 and ranged in length from 20 min to 2 hrs. Interviews were recorded and transcribed. News articles, Web sites, and other documents written about giving circles were found and gathered through Google, Lexus-Nexus, and article database searches. Secondary data from a Web-based survey conducted by New Ventures in Philanthropy (see Rutnik & Bearman, 2005, pp. 42-45, for survey questions) and several published case studies were also included in the current study (Ahn, 2003; Guthrie et al., 2003; Orloff, 2002; Rutnik & Beaudoin-Schwartz, 2003; Sbarbaro, 2002; Stanford University, n.d.). Finally, though not a source of data directly, participant observation was used to inform the design and structure of the current study.

Because giving circles are newly emerging phenomena, locally based, and little studied, it was difficult to create a comprehensive list of existing giving circles. Because every giving circle and its characteristics may not be accounted for, there is a chance that the giving circles chosen for the current study do not adequately represent all the information available about giving circles and their impacts. It is also likely that the data available are skewed to the larger, formal giving circles that are affiliated with community foundations and other organizations because they have received the most attention from the news media and from researchers. These problems were addressed by the triangulated use of multiple interviews, case studies, and document analysis to ensure greater trustworthiness of the data (Berg, 2001, p. 5). Beyond these measures, there is always a chance that interviewees were reluctant to share personal information. For example, money and the

giving of money is often a sensitive issue. The assurance of anonymity was used to encourage participants to speak candidly.

MAXqda qualitative data analysis software (available at www.maxqda.com/maxqda-eng/index.htm) was used to systematically organize, code, and analyze data. Analysis followed a strategy set out by Maxwell (1998, p. 90), which involves an iterative process including contextualizing and categorizing strategies. This process included reading interviews and other documents completely through to get a sense of the whole, rereading interviews and coding segments, and recoding and grouping codes into broad clusters of similar topics or nodes—primarily around the research questions though allowing for emergent topics. These clusters were then iteratively recoded into more specific and simplified nodes, creating “trees” (Coffey & Atkinson, 1996, p. 29). This process continued until no new codes emerged. Tables and matrices were constructed from the data and used to identify patterns, comparison, trends, and paradoxes across cases (Miles & Huberman, 1994). Validation of data was achieved by comparing interview findings with each other and with other studies and documentation as well as looking for and analyzing negative cases in the data (Borman, LeCompte, & Goetz, 1986, p. 44). Theoretical validation was sought through regular presentation and discussion of emerging conclusions with colleagues (Creswell, 1998, p. 202).

FINDINGS AND ANALYSIS

THE GIVING CIRCLE LANDSCAPE

As noted earlier, more than 225 giving circles have been identified in the United States, though there is indication that many more exist. There were 188 giving circles included in the data analysis for the current study. For several of these, only partial information was available. Giving circles are located in at least 37 states and Washington, D.C., and Canada and tend to cluster in the Northeast, upper Midwest, and West Coast. Although data in this area are limited, it is estimated that at least \$32 million has been given away (for all years giving circles have been in operation). More than 8,000 individuals participate in giving circles, and most giving circles are relatively new, having started in the past 5 years. Three major types of giving circles make up the giving circle landscape. These include small groups, loose networks, and formal organizations.

Small groups. Small groups consist of a small number of people who tend to pool funds in equal amounts ranging from \$50 to \$5,000, though there are several small groups where the amount paid into the fund is left to the discretion of the individual. Unlike the other two types of giving circles, in small groups it is typical for everyone to be involved in agenda setting, discussion,

and decision making, and leadership is often shared. The two major foci of small group giving circles are social and educational activities. The social aspect is emphasized through informal group interaction and discussions. The educational aspect is relatively informal, taking place through the grant-making process, site visits, meetings with nonprofit staff, and information sharing among group members. Some small groups have staff support (typically provided by a community foundation) to help with administration or fiscal management.

An example of a small group is Shared Giving in Durham, North Carolina. Shared Giving is made up of 16 members who all belong to the same Unitarian Fellowship. Each of the members gives \$500 a year with a 3-year commitment, though some give more than the minimum. Members meet every other month to discuss potential fundees and community issues. They gather information about nonprofit organizations by conducting site visits or speaking directly with nonprofit executives about the needs of the organization and make decisions about granting money through a consensus-style format. The group focuses on social justice issues, giving to local, small organizations. They gave their first grant in early 2002 and since then have given grants of between \$1,000 and \$5,000, usually for specific programs or projects, to places like a family violence prevention center, a community center that provides tutoring for Hispanic children and their parents, and an organization that helps seniors with medical prescription costs and management. However, as noted by several members, the social aspect and discussions in the group have become, perhaps, the most important part of the process.

Loose networks. Loose networks are structured with a core group of people overseeing the group—who do the ongoing organizing, planning, and grant decision making—surrounded by a loosely affiliated group of individuals who tend to come together around a specific event such as a potluck dinner or other type of fund-raiser. There is typically no minimum fee to participate. There is also no paid staff support within these groups; rather, they are completely volunteer driven, and members praise these groups for their flexibility and organic nature, low overhead, and for being nonbureaucratic. Loose networks seem to be especially attractive to women, and many who participate in these groups see it as an opportunity to fit “doing good” into their busy lives. What is unique about this type of giving circle is that loose networks tend to give money and in-kind gifts directly to individuals in need or to individuals doing good work. Thus, grant decision making often occurs in an ad hoc fashion in response to the needs of individuals. Among the three types of giving circles, loose networks seem to do the most to connect members directly to those in need.

There are at least two major subtypes of loose networks. Bread for the Journey is an organization, based in California, that has helped create at least 22 chapters across the United States and Canada. Womenade is a national

movement that has inspired the creation of more than 25 groups across the country. The movement started in Washington, D.C., when Doctor Amy Kossoff and her friends decided to hold a potluck dinner and ask attendees to donate \$35 to a fund that would enable Kossoff to continue to give financial assistance to her clients for prescriptions, utility bills, and rent. Kossoff did much of her work in homeless shelters and public clinics and regularly provided assistance to her clients out of her own pocket. The women held their first potluck in March 2001. Nearly 100 women attended, raising \$3,000. A year-and-a-half later, *Real Simple* magazine did a story on Washington Womenade (Korelitz, 2002), including a section on "How to Start a Womenade," and the idea took off.

Formal organizations. Formal organizations are more formal in their structure and decision-making processes than the other two types of giving circles; looking very much like a traditional membership organization structure with a board or lead group, committees, and often, professional staff support. They are also larger, and the cost to participate tends to be high compared to small groups and loose networks; the modal amount is \$5,000 to \$5,500. The grant decision-making process typically involves committees or investment teams making grant decisions directly or making recommendations for a full membership vote. The major activities of formal organizations are education and engagement. All of the formal organizations for which data are available have some kind of formal educational programming in addition to grant making and other informal educational opportunities. There is also a strong emphasis on direct engagement with nonprofit fundees. At least one half of the formal organizations identified provide opportunities for members to volunteer with nonprofit organizations. In most cases, members volunteer their expertise at the administrative level rather than through direct service. Among the three types of giving circles, formal organizations are the most systematic and comprehensive in efforts to educate and engage members with others in the community.

There are four subtypes of formal organizations: Social Venture Partners (SVP), young leader funds, affiliated funds, and independent 501(c)(3) organizations. SVP has probably become the most well known of this type of giving circle. SVP started in 1997 in Seattle and now has expanded to 25 SVP-type giving circles in the United States and Canada. SVP is structured to follow a venture philanthropy model—applying venture capitalist principles to philanthropy. Its major foci are educating members about philanthropy and community issues and creating long-term, engaged relationships with funding recipients. The cost to join SVP is usually around \$5,000. SVP also asks members to volunteer at the nonprofit agencies they fund, providing consulting and capacity-building support. SVP affiliates fund in various areas but often take an interest in issues related to youth and education.

GIVING CIRCLES ARE CHANGING PHILANTHROPY

Data indicate that giving circles generally attract younger (younger than age 40 years) and female participants, thereby bringing “new money” to the (organized) philanthropic table. However, for those who have already been philanthropically active, participation serves to increase members’ level of giving and extend their giving to organizations with which they were not previously familiar. In addition, through participation, members are more thoughtful, focused, and strategic in their giving inside and outside of the giving circle. Because they begin to see their giving in the context of issues and needs in the community, in which they want to have some impact, their donations are more targeted. For this reason, members say they have started giving fewer, but larger gifts. This is especially the case for small group and formal organization members.

There are also new relationships being formed between giving circle members and nonprofit professionals in the community. This takes place inside the giving circle as several nonprofit professionals are participating in giving circles as members. Beyond this, however, are the new links being made between giving circle members and nonprofit staff who head organizations funded by the giving circle. The interactions take place when nonprofit professionals meet with giving circle members at a site visit, through guest speaking or presentations at meetings, at receptions or events, through informal meetings over lunch, or when a giving circle member volunteers with a nonprofit organization. Some members also work directly with nonprofit professionals as they create proposals to submit to the giving circle for funding. Through these encounters, giving circle members become networked into the nonprofit and philanthropic sector to a degree perhaps only open to major donors previously. This has served to expand the understanding giving circle members have regarding the needs of nonprofit organizations and the issues and problems they are trying to address.

It should be noted that though philanthropic professionals suggest people from diverse walks of life participate in giving circles, it appears that most of the giving circles for which data are available are overwhelmingly White and predominately from professional and upper-middle-class backgrounds. There were only six giving circles identified that are made up of African Americans only, and one each of giving circles with Asian American, Latino, and Hmong memberships. It may be the case that minority giving groups have not yet been identified. Studies of African American, Latino, and Asian American giving show that these groups tend to give more informally within family and neighborhoods rather than to mainstream charities or through organized philanthropy (Wagner, 2003, pp. 231-234). Giving circles are also limited in diversity within the group: homogeneous in their race and/or ethnicity and less so but still homogenous in their socioeconomic level. For example, less than one fifth of giving circles for which data were

available have a mixed membership where 15% or more include members of color. This is not surprising as McPherson and Smith-Lovin (1987) found that homogeneity tends to take place generally in voluntary associations.

Giving circles—especially small groups and formal organizations—seem to give a larger percentage of their funding to children and youth and women and girls than do foundations (Foundation Center, 2004). The larger emphasis on funding these groups may be explained by the trend for giving circle members to be younger than typical major donors (and thus with children at home) and female. Although the data show that members are exposed to new issues and organizations through their participation in a giving circle, funding seems to go largely to populations that are similar to the giving circle membership. For example, women's giving circles tend to give to women and girls, minority groups give to their own minority groups, and so on. There are, of course, exceptions within individual giving circles; however, overall the trend seems to exist and coincides with others' findings that individuals give to issues and populations with which they are familiar (Schervish, 1995).

GIVING CIRCLES ARE SOMETHING DIFFERENT

What makes giving circles unique? This question can be answered by looking at their key characteristics and why people say they have joined a giving circle. First, giving circles appear to share varying degrees of six major characteristics. They tend to

1. Pool funds—This is often but not always in equal amounts from each member, ranging from \$25 in loose networks to \$5,000 or more in small and formal groups. Several giving circles also raise money from outside their membership.
2. Give away resources—This includes giving money, in-kind gifts, and in some cases members' time and talents to mostly small, local non-profit organizations or to individuals in need or doing good works. Funding tends to go to fewer organizations for (relatively) larger amounts, and there seems to be a split in funding either capacity building and day-to-day operations or programs and projects. Several of those interviewed noted the difficulty their giving circle had in finding appropriate fundees to match funding objectives.
3. Educate members about philanthropy and issues in the community—Education takes place informally through the running of the giving circle and giving away of money—that is, learning about the grant-making process, going on site visits, and so on—and formally through educational sessions such as workshops, seminars, and presentations by guest speakers.
4. Provide a social dimension—This social aspect varies in importance depending on the type of giving circle. For some, it is a primary

focus—as in many women’s and young leader giving circles—whereas for others it is very much peripheral to the task of giving and volunteering. By default, when a group of people come together to do anything, there is social interaction; however, some groups are very intentional about providing networking and other social opportunities for members.

5. Engage members in volunteering—Nearly all giving circles are run by volunteers, though some have staff or receive administrative support from elsewhere. A few giving circles also encourage or require direct volunteer engagement with nonprofit agencies. This volunteering tends to be at a professional or administrative level.
6. Maintain their independence—Giving circles are typically not tied to any one charity, though some (as donor-advised funds) do rely on community foundations to be fiscal agents and provide administrative support. However, it is the donors, rather than philanthropic professionals, who decide to what charities or individuals funds should be distributed. This is a new way of thinking about philanthropy that gets beyond particularistic, institutional fund-raising (see Eikenberry, 2005b). There are exceptions to this. A few giving circles, for example, are associated with universities. The members within these giving circles remain independent in that they still decide where the money is given but are limited to giving within the university. It is not clear that these groups should indeed count as giving circles except that they are largely donor led and seem to share other aspects of giving circles discussed above.

If one were to look at each of these key characteristics independently, they certainly do not seem like unique or new contributions to philanthropy (one can see similarities in Women’s Clubs of the Progressive Era and Kiwanis or Rotary, for example); however, the environment in which they have emerged and in which they operate—a philanthropic sector that is increasingly modernized (Eikenberry, 2005a) and where voluntary associations are losing numbers rapidly (Putnam, 2000; Skocpol, 2003)—and the combination of all six aspects are new for today’s philanthropy. What is also unique is the underlying, express purpose for creating giving circles: to give away money for community betterment. Earlier institutions such as Women’s Clubs and Rotaries often did not start or sustain such a focus; the philanthropic aspect either emerged later (Stivers, 2000, p. 50) or was secondary to the main intent of the group (Charles, 1993, p. 3).

One could argue that this is old wine in new bottles (or even new wine in old bottles); however, for those participating in the giving circle, this is a new and exciting way to be more engaged in their giving. Overall, compared with other philanthropic mechanisms, those interviewed see giving circles as “something different.” Compared to individual check writing or giving individually through donor-advised funds, it is a more engaged, personal process. As one member of an informal giving circle stated,

You know when you write a check to something, you write a \$1,000 or whatever you write, you give it to them you have no clue where it is going, what it is going for, maybe the people involved. This . . . personalizes some of these organizations. (Small Group #3, personal interview, August 2, 2004)

Giving through the giving circle is also seen by some as a much more proactive approach to philanthropy than has traditionally been the case. As a staff member of a formal giving circle put it,

There is the quid pro quo kind of charitable giving, you know my buddy wants me to do this golf outing because I asked him to do my golf outing. There is the kind of required, I'm a board member kind of charitable giving, or I'm going to give to my alma mater. But when it comes to community philanthropy, going outside the box, giving to something because it is important to give to it, because there is a need and because you are going to know what actually happened, that is the operation or the sphere in which we are in. (Formal Organization #3, telephone interview, September 3, 2004)

A report on SVP-Seattle (Guthrie et al., 2003) describes this type of philanthropy as indicative of the "experience economy." In the experience economy, consumers want more than a service or product; they want an experience. For example, today's parents do not want to just buy a cake for their child's birthday. Rather, they want to create a memorable event (via Chuck E. Cheese or Discovery Zone) for the kids while the birthday cake becomes an after-thought (Pine & Gilmore, 1998). The giving circle as representation of this phenomenon was supported by a philanthropic professional who said, This is not the "sideline" philanthropy of community foundations or United Ways; rather in the SVP model, "we are kind of bucking that trend where you want to pamper your donors, so we are saying we want your money and your time, and it's not easy time either" (Philanthropic Professional #5, telephone interview, July 12, 2004). SVP represents the extreme of this "experience philanthropy" notion, whereas loose networks are in many ways the opposite in enabling donors to pamper themselves or be "social while doing good" (though perhaps still in a more engaged fashion than other types of giving).

Giving circles also seem to be different from private foundations in several ways. First, the amount of money it takes to create a foundation is much greater than what it takes for an individual to participate in a giving circle. Even \$5,000 to participate in some giving circles is small compared to the amount needed to start a foundation (at least \$250,000 to \$500,000). Interviewees and other sources also talked about the application process being much more engaged through the giving circle. Rather than just sending out a request for proposals and waiting for a response, giving circle members

often take a much more hands-on approach to seeking out and working with potential fundees. Finally, educating giving circle members about the grant-making process and community issues are ongoing projects of most giving circles—directly and indirectly. For example, in many foundations, there are program officers who already understand the grant-making process and know the issues; there is no need to treat people doing the grant making as “fresh learners” every year as one staff member stated (Formal Organization #8, telephone interview, July 14, 2004). Some giving circles, such as SVP, are also looking for ways to contribute nonfinancial value to the grantee, which is unusual for most foundations, though in line with newer venture philanthropy foundations (Community Wealth Ventures, 2002).

The reasons people say they join or participate in giving circles also sheds some light on how giving circles may be different from other modes of philanthropy. People seem to join and continue to participate in giving circles for a variety of reasons. One of the most often cited is the chance to become more engaged in the giving process—to be doing more than just writing a check and also interacting directly with nonprofit organizations. This reason was cited especially by those in formal organizations, such as SVP, where volunteering with agencies is an important part of the venture philanthropy relationship. Yet even for other types of giving circles, the hands-on process of reviewing proposals and going on site visits creates the more engaged philanthropy that they desire. On the other hand, others participate because of the minimal time commitment involved. These are the individuals, overwhelmingly women, who participate in giving circles where giving money is seen as an alternative to volunteering. As one woman put it, “It’s an effective environment for women raising families to make a difference without removing them weekly or daily from their work and home obligations” (Lynch, 2003, p. 17). Furthermore, folks in groups such as Bread for the Journey appreciate the simple, nonbureaucratic nature of the giving circle, or what they call “neighborhood philanthropy.”

Along with this, another frequently cited reason for participating was the fun or social aspect of the giving circle. For women especially, the giving circle is a chance to be social “while doing good.” Others see the giving circle as a tool for networking and connecting to their peers and others in their industry or line of work. In the case of SVP, this is the high-tech industry. Simultaneously, women especially brought up the attraction that giving circles hold as a tool for individual empowerment. The giving circle is seen as a way for a group of people to control how things go. For example, “I could do that” or “we could do this” was a thought that many individuals had when they heard about Womenade and then started their own chapter.

The opportunity to be part of a group and leverage the amount of money a participant is able to give is another important reason to participate in a giving circle. It makes people feel like they are part of a bigger movement fairly quickly while magnifying their individual contribution. Thus, in the case of a giving circle such as Silicon Valley Social Venture Fund, a member

can contribute \$5,000 but influence \$700,000 in grants. Another often-cited reason was the chance to give back and make more of an impact in the community through the giving circle. Individuals participate as well because they want to learn more about nonprofit organizations, issues in the community, or about becoming better philanthropists. For many, they are also attracted to the safety and anonymity the giving circle provides. The giving circle provides a safe place to ask questions and learn the ins and outs of grant making and about nonprofit organizations.

Individuals also support and participate in giving circles because they want to promote an ethic of philanthropic behavior in others, whether it be other women, their children, or their peers. For some, the opportunity to participate in a giving circle came at a time when they were looking for something new after a life transition such as a new baby, career change, move, or sudden increase in wealth. Finally, some expressed the importance of the spiritual aspect of participating in the giving circle. As one giving circle member stated,

I've been trying for some years to figure out how to be or what it would feel like to be a more generous person and challenging myself in different ways. Of course that's not just with money, but, you know, all kinds of ways, and this seemed like a good opportunity to put that spiritual discipline into practice for me. (Shared Giving #8, personal interview, May 20, 2004)

CONCLUSIONS AND IMPLICATIONS

What are the implications of these findings for philanthropic and nonprofit professionals? First, philanthropic professionals promoting the creation of giving circles should understand the different types of giving circles and plan accordingly. If their goal is to get people to participate in philanthropy generally, a loose network may be an appropriate tool. If they want meaningful, democratic participation, small groups might be the best approach. If they are most interested in educating donors and raising more substantial resources for addressing community problems or issue areas, a formal organization might be the best choice. For those focused specifically on bringing women to the philanthropic table, understanding the importance of socialization and being able to participate without a big time commitment is needed. If the focus is on attracting minority groups, a concerted effort may be needed for recruitment.

This all assumes, of course, that philanthropic professionals have a good deal of control over the creation of giving circles. However, there is a grass-roots element to giving circles that organized philanthropy may not be able to force or structure as it would like. For example, the Women's Fund of Greater Omaha has been trying to promote the formation of giving circles by offering

free training to women interested in starting a giving circle (Philanthropic Professional #1, personal interview, April 22, 2004; "Start a Giving Circle," 2003). They have been able to train several women; however, few have actually started giving circles, suggesting that the leadership initiative must come from the bottom up. In addition, one of the main aspects of giving circles is their independence. Although this varies for different types of giving circles, this independence may run counter to notions of organized philanthropy. The success of giving circle formation and ongoing operations seems to depend a great deal on volunteer, grassroots leadership.

More broadly, philanthropic and nonprofit professionals should be heartened by the potential for giving circles to increase individual members' giving and by attracting new and younger people to organized philanthropy. Conversely, these professionals might be concerned about the implications of giving circle members giving in a more thoughtful and focused fashion. This could drastically change the structure of the fund-raising field. In the short term, it could have negative impacts on traditional institutional fund-raising through such means as direct mail, as well as on workplace and federated giving programs. In the longer term, however, this could mean increasing the overall philanthropic pie because as the literature shows, people who are more engaged give more (Independent Sector, 1996; Putnam, 2000; Schervish & Havens, 1997).

Nonprofit professionals, especially in small organizations, must also be aware of several other issues related to giving circles. Most important, they need to be ready when a giving circle member seeks them out. Thus, they need to know something about giving circles' existence in their community and how they operate, and they need to have the structure or capacity in place to respond to (sometimes last-minute) requests for funding needs. It was surprising how many times giving circle members described the difficulty they had in giving money away because nonprofit organizations they approached did not understand their intentions or did not have the capacity to respond.

This leads to a larger issue overall in the nonprofit sector—many nonprofit leaders are still mired in the old fund-raising paradigm of donor pyramids and direct mail and not aware of the broader changes taking place in philanthropy (see Eikenberry, 2005b). Giving circles are a prime example of this paradigm shift to a more engaged, donor-driven philanthropy. The task for nonprofit organizations, in this context, is no longer hunting down donors but in enabling donors to find them (Grace & Wendroff, 2001, chap. 7). The larger question, which cannot be adequately addressed here, is what the implications of this new philanthropy might be for nonprofit organizations. Some questions to address in this area might be, What has been the experience of nonprofit organizations that have worked with or received funding from giving circles? How does this method of philanthropy compare to other modes of philanthropy from the perspective of the nonprofit manager and what are the effects of this on the ability of their organizations to contribute to society? Does more engagement mean a greater burden or boon for nonprofits? Future

research is needed on these issues and on other philanthropic phenomena that have emerged in the new philanthropy environment.

References

- Ahn, R. (2003). *The Hestia Fund* (CR16-03-1691.0). Cambridge, MA: Harvard University Kennedy School of Government Case Program.
- The Baltimore Giving Project. (2000). *Information on local giving circles*. Baltimore: Author. Retrieved November 29, 2002, from www.baltimoregivingproject.org/info-url2527/info-url_show.htm?doc_id=95102
- Berg, B. L. (2001). *Qualitative research methods for the social sciences* (4th ed.). Boston: Allyn & Bacon.
- Bianchi, A. (2000, October). Serving nonprofits: The new philanthropy. *Inc.*, pp. 23-25.
- Borman, K. M., LeCompte, M. D., & Goetz, J. P. (1986). Ethnographic and qualitative research design and why it doesn't work. *American Behavioral Scientist*, 30, 42-57.
- Brainerd, P. (1999). Social venture partners: Engaging a new generation of givers. *Nonprofit and Voluntary Sector Quarterly*, 28, 502-507.
- Briscoe, M. G., & Marion, B. H. (2001). Capital campaigns and the new charitable investors. *New Directions for Philanthropic Fundraising: Understanding Donor Dynamics*, 2001 (32), 25-46.
- Byrne, J. A. (2002, December 2). The new face of philanthropy. *Business Week*, pp. 82-94.
- Charles, J. A. (1993). *Service clubs in American society: Rotary, Kiwanis, and Lions*. Urbana: University of Illinois Press.
- Clohesy, S. J. (2004). *Donor circles: Launching and leveraging shared giving*. Retrieved February 20, 2005, from www.givingforum.com/givingcircles/research.html
- Cobb, N. K. (2002). The new philanthropy: Its impact on funding arts and culture. *Journal of Arts Management, Law, and Society*, 32, 125-143.
- Coffey, A., & Atkinson, P. (1996). *Making sense of qualitative data*. Thousand Oaks, CA: Sage.
- Community Wealth Ventures, Inc. (2002). *Venture philanthropy 2002: Advancing nonprofit performance through high-engagement grantmaking*. Washington, DC: Venture Philanthropy Partners. Retrieved November 22, 2002, from www.vppartners.org/learning/reports/report2002/full_rpt.pdf
- Creswell, J. W. (1998). *Qualitative inquiry and research design: Choosing among five traditions*. Thousand Oaks, CA: Sage.
- deCourcy Hero, P. (2001). Giving back the Silicon Valley way: Emerging patterns of a new philanthropy. *New Directions for Philanthropic Fundraising: Understanding Donor Dynamics*, 2001 (32), 47-58.
- Eikenberry, A. M. (2005a). *Giving circles and the democratization of philanthropy*. Unpublished doctoral dissertation, University of Nebraska, Omaha.
- Eikenberry, A. M. (2005b). Promoting philanthropy: A qualitative study of the Massachusetts Catalogue for Philanthropy. *International Journal of Nonprofit and Voluntary Sector Marketing*, 10, 137-149.
- Forum of Regional Association of Grantmakers. (n.d.). *Welcome to the Giving Circles Knowledge Center*. Retrieved September 29, 2005, from www.givingforum.org/givingcircles/
- Foundation Center. (2004). *Foundation giving trends*. New York: Author.
- Frumkin, P., Long, R., Hammack, D., & Ostrower, F. (2004, November). *Frontiers of foundation research* (J. Ferris, Moderator) [Mini-plenary conducted at the annual meeting of the Association for Research on Nonprofit Organizations and Voluntary Action, Los Angeles, CA].
- Fung, A. (2004). *Empowered participation: Reinventing urban democracy*. Princeton, NJ: Princeton University Press.
- Grace, K. S., & Wendroff, A. L. (2001). *High impact philanthropy: How donors, boards, and nonprofit organizations can transform communities*. New York: John Wiley.

- Guthrie, K., Preston, A., & Bernholz, L. (2003). *Transforming philanthropic transactions: An evaluation of the first five years at Social Venture Partners Seattle*. Retrieved February 2005, from www.cof.org/files/documents/community_foundations/external_reports/SVPI_transformingphilanthropictransactions.pdf
- Independent Sector. (1996). *Giving and volunteering in the United States* [Survey conducted by the Gallup Organization for Independent Sector]. Washington, DC: Author.
- Jovanovic, S., Carolone, D., & Massood, C. (2004). *Voice and community engagement: A report of young leaders and philanthropy*. Unpublished manuscript, University of North Carolina, Greensboro.
- Kemmis, D. (1990). *Community and the politics of place*. Norman: University of Oklahoma Press.
- Kong, D. (2001, November 18). Fortunate seek guidance in giving away their wealth. *Boston Globe*, p. F5. Retrieved November 29, 2002, from www.boston.com/globe/business/packages/giving2001/fortunate_seek.htm
- Korelitz, J. H. (2002, August). Second helpings. *Real Simple*, pp. 85-90.
- Lynch, J. B. (2003, August/September). Generosity grows with women's fund giving circles. *Today's Omaha Woman*, 7, 16-17, 24.
- Marshall, C., & Rossman, G. B. (1995). *Designing qualitative research* (2nd ed.). Thousand Oaks, CA: Sage.
- Maxwell, J. A. (1998). Designing a qualitative study. In L. Bickman & D. J. Rog (Eds.), *Handbook of applied social research methods* (pp. 69-100). Thousand Oaks, CA: Sage.
- McCully, G. (2000, March/April). Is this a paradigm shift? *Foundation News and Commentary*, pp. 20-22.
- McPherson, J. M., & Smith-Lovin, L. (1987). Homophily in voluntary organizations: Status distance and the composition of face to face groups. *American Sociological Review*, 52, 370-379.
- Miles, M. B., & Huberman, A. M. (1994). *Qualitative data analysis: An expanded sourcebook* (2nd ed.). Thousand Oaks, CA: Sage.
- Orloff, A. (2002, March). *Social Venture Partners Calgary: Emergence and early stages*. Canadian Centre for Social Entrepreneurship. Retrieved April 18, 2004, from www.bus.ualberta.ca/ccse/Publications/
- The Philanthropic Initiative. (2000). *What's a donor to do? The state of donor resources in America today*. Retrieved June 23, 2002, from www.tpi.org/_tpi/promoting/research
- Pine, J., II, & Gilmore, J. H. (1998, July-August). Welcome to the experience economy. *Harvard Business Review*, pp. 97-105.
- Putnam, R. D. (2000). *Bowling alone: The collapse and revival of American community*. New York: Simon & Schuster.
- Rutnik, T. A., & Bearman, J. (2005). *Giving together: A national scan of giving circles and shared giving*. Baltimore: Forum for Regional Association of Grantmakers. Retrieved February 18, 2005, from www.givingforum.org/givingcircles/research.html
- Rutnik, T. A., & Beaudoin-Schwartz, B. (2003, October). *Growing philanthropy through giving circles: Lessons learned from start-up to grantmaking*. Retrieved April 17, 2004, from www.abagmd.org/info-url2446/info-url_show.htm?doc_id=199229
- Sbarbaro, C. (2002). Social Venture Partners replication. In *The Electronic Hallway* (No. F96). Retrieved April 18, 2004, from www.hallway.org/cases/display_case.php?case_ID=socia
- Schervish, P. G. (1995). Gentle as doves and wise as serpents: The philosophy of care and sociology of transmission. In P. G. Schervish, V. A. Hodgkinson, & M. Gates (Eds.), *Care and community in modern society: Passing on the tradition of service to future generations* (pp. 1-20). San Francisco: Jossey-Bass.
- Schervish, P. G., & Havens, J. J. (1997). Social participation and charitable giving: A multivariate analysis. *Voluntas*, 8, 235-260.
- Schweitzer, C. (2000, October). Building on new foundations. *Association Management*, pp. 28-39.
- Shaw-Hardy, S. (2000). *Creating a women's giving circle*. Rochester, MI: Women's Philanthropy Institute.
- Skocpol, T. (2003). *Diminished democracy: From membership to management in American civic life*. Norman: University of Oklahoma Press.

- Staeheli, L. A. (1997). Citizenship and the search for community. In L. A. Staeheli, J. E. Kodras, & C. Flint (Eds.), *State devolution in America: Implications for a diverse society* (pp. 60-75). Thousand Oaks, CA: Sage.
- Stanford University. (n.d.). *Social Venture Partners* (draft v3.01). Retrieved April 18, 2004, from <http://216.119.98.185/About/CaseStudies.asp>
- Start a giving circle. (2003, August/September). *Today's Omaha Woman*, 7, Back Cover.
- Stivers, C. (2000). *Bureau men, settlement women: Constructing public administration in the progressive era*. Lawrence: University Press of Kansas.
- Streisand, B. (2002, June 11). The new philanthropy. *U.S. News & World Report*, 130, 40-42.
- Wagner, L. (2002). The "new" donor: Creation or evolution? *International Journal of Nonprofit and Voluntary Sector Marketing*, 7, 343-352.
- Wagner, L. (2003). Embracing diversity in fund raising. In E. R. Tempel (Ed.), *Hank Rosso's achieving excellence in fund raising* (pp. 226-241). San Francisco: Jossey-Bass.

Angela M. Eikenberry is an assistant professor in the Center for Public Administration and Policy and affiliated with the Institute for Governance and Accountabilities at Virginia Tech. Her main research interests include philanthropy, nonprofit organizations, civil society, and democracy.