

The State of Giving Circles Today:

**OVERVIEW OF NEW RESEARCH FINDINGS
FROM A THREE-PART STUDY**

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Collective Giving
RESEARCH GROUP

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THE STATE OF GIVING CIRCLES TODAY

Giving circles and other forms of collective giving (hereafter referred to as GCs) are changing the face of community philanthropy across the United States. From small groups of friends meeting over drinks to large organizations with their own nonprofit status and staff, GCs have grown significantly in visibility and popularity over the last 20+ years. Often started by donors, they are widely understood to be a highly flexible, democratic, do-it-yourself vehicle for giving, and previous research has illuminated the positive impact that participation has on the giving and civic engagement of donors.

Characteristics of Giving Circles/ Collective Giving Groups

- Individuals pool donations and donors decide together how and where funding is given.
- The purpose is primarily philanthropic with learning and networking opportunities.
- GCs' giving is typically independent, not a fundraising vehicle for a single charity.

Until this study, our understanding of the scope and scale of GCs was 10 years out of date! While some of the oldest GCs have existed for decades in the U.S. and elsewhere, the majority have only formed in the last few years, and new models and networks of GCs continue to emerge. While we know anecdotally that considerable growth is taking place, it has been nearly a decade since the last systematic scan of GC activity in the U.S.

**Giving circles
are changing
the face of
community
philanthropy.**

This three-part study of GCs, their impact, and their relationship with their hosting organizations significantly updates our understanding of the current scope, scale, and significance of GCs and other models of collective giving in the U.S. Additionally, this study deepens our understanding of the impact of participation in GCs on donors' giving and civic engagement and offers actionable information related to the relationships between GCs and their hosting organizations.

Specifically, we examined:

- How various models or structures of GCs or various activities or compositions within giving groups might make a difference in growing philanthropy among women and men, people of different racial/ethnic backgrounds, levels of income, and other demographic variables;
- How length, type, or level of engagement within giving groups might make a difference in growing philanthropy;
- How in-person versus online or hybrid connection and engagement might make a difference in growing philanthropy;
- How the above might affect who benefits from philanthropy, including increasing giving for specific communities or issues such as women's and girls' causes;
- How being part of a network of giving groups might influence their impact; and
- How the above characteristics might impact community foundation and other hosts of giving groups and how hosts might in turn influence giving groups' impact.

10 Key Findings on the Scope and Scale of Giving Circles and Collective Giving

Our two-year study to better understand the current scope, scale, and significance of GCs and other models of collective giving in the U.S. has yielded a variety of important insights into the state of the field today.

This overview offers initial insights for ten key findings:

1. GCs have tripled in number since 2007.
2. GCs have granted up to \$1.29 billion.
3. Women are the majority of GC members.
4. GCs engage a diverse range of donors.
5. Funding remains largely local.
6. GC donors are motivated by a desire to "give back."
7. Donors join GCs with a goal of "giving better."
8. GCs are more connected – to each other and to the philanthropic sector.
9. GC hosts seek to grow a culture of philanthropy.
10. Covering costs is a challenge.

1. GCs have tripled in number since 2007.

We found a significant expansion of the number of GCs since the last landscape study. Our research identified 1,087 independently run and currently active GCs, along with 525 GC chapters that are part of different GC networks/programs. We also identified 13 nationwide GCs and nine that operate only online. These approximately 1,600 total giving groups represent triple the number of giving groups since the last landscape study conducted in 2007. About half of all GCs operating today started in 2010 or later. GCs are widespread in the U.S.; we found at least one (and sometimes more than 50) in all 50 states and the District of Columbia.

2. GCs have granted up to \$1.29 billion.

In 2016 alone, survey respondents (approximately 33 percent of the GCs identified) raised \$30 million and gave almost \$28 million. Our database shows GCs have given almost \$475 million since inception (data available for only 37 percent of groups). If we extrapolate to all of the groups in our database, we estimate that GCs have given as much as \$1.29 billion combined across their lifespans. Additionally, while the average GC membership size is 116 donors, we estimate that GCs have engaged 150,000 donors from all walks of life since their inception.

3. Women are the majority of GC members.

Women continue to make up the majority of GC members. In our survey, 70 percent of all groups reported that women are more than half of their membership. In contrast, in only about 7.5 percent of groups were men the majority of members.

4. GCs engage a diverse range of donors.

While women's GCs remain the most common type (48.5 percent of the groups in our database and more than half of the identity-focused groups), we have seen a rise in men-only and LGBTQ GCs since the last study. GCs that draw donors from other specific identity groups are also much more prevalent now than in past studies. We identified significant numbers of Jewish, Asian/Pacific Islander, African American, and Latino/a groups.

5. Funding remains largely local.

In the landscape survey, we found that 84 percent of GCs made grants in their local geographic area. Only a small number made statewide, multi-state, national, or international grants. Consistent with findings from earlier studies, our survey found that more than half of GCs give in the areas of human services, women and girls, and education. In contrast, international affairs and religious causes were the issue areas least likely to receive support.

6. GC donors are motivated by a desire to “give back.”

GC donors are philanthropically-inclined outside their GC participation. When asked about their top reasons for giving, donors ranked the following motivations highest: giving back to community, making a positive difference, and passion for a particular cause or charity. GC members give a median of \$5,000 annually; they are more generous than donors not involved in a GC (up to incomes of \$100,000/year – differences between donors disappear at higher income levels); and the great majority (88 percent) report that they are active volunteers as well as donors. Additionally, the majority use multiple giving vehicles including online giving, direct giving, and donor advised funds.

7. Donors join GCs with a goal of “giving better.”

While GC members are moved to give by a desire to “give back to community,” they join GCs for more strategic reasons: to leverage their giving, be more engaged with their community, and be more effective in their giving. Our study also found that many join GCs for the long term; more than one-third of those surveyed had been part of a GC for five or more years. More than half of GC members report that participation in a giving circle has increased the amount of money and number of organizations they give to and the degree to which they consider their philanthropy to be effective.

8. GCs are more connected – to each other and to the philanthropic sector.

In our review of GCs, 43 percent report that they are members of a GC network that helps to initiate GCs and support their efforts. Very few networks or alliances of GCs existed when previous research on GCs was conducted, but they have proliferated in the last ten years. There are now 25 GC networks of various sizes and structures operating around the country, such as the Women’s Collective Giving Network, Amplifier, and Native Giving Circles Network. In addition, between 40 and 50 percent of GCs are hosted by another charitable or philanthropic organization, most often a community foundation.

9. GC hosts seek to grow a culture of philanthropy.

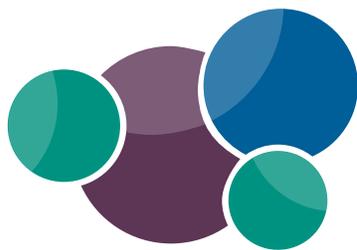
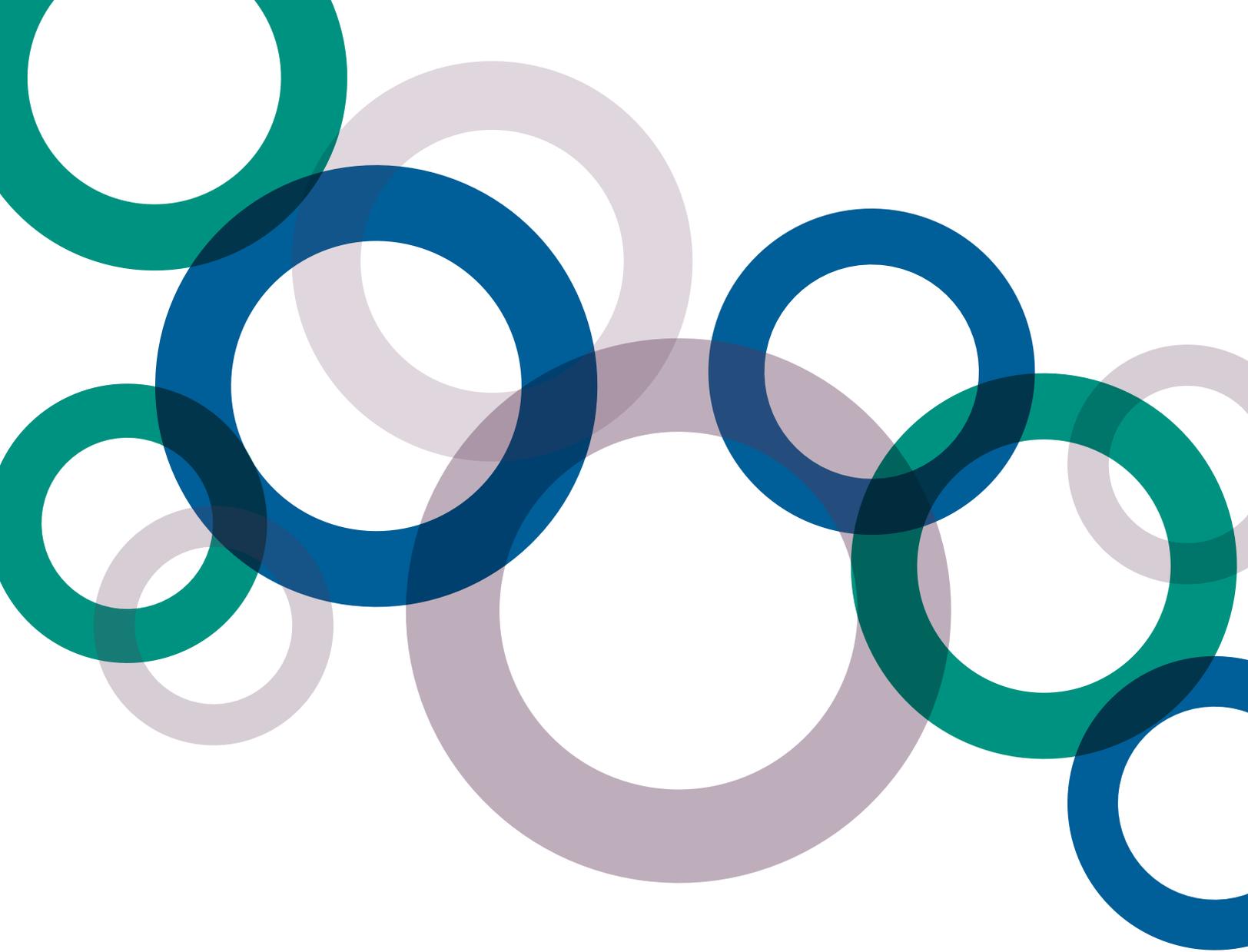
We asked host organizations about both their motivations for hosting GCs and the actual realized benefits of hosting. The top reason given for choosing to host a GC was “to contribute to a culture of philanthropy in the community,” and host organizations also reported that this was a significant benefit of hosting. Reaching new and more diverse donors were other top reasons for hosting.

10. Covering costs is a challenge.

Although the true costs of hosting were reported to be largely unknown, most surveyed hosts told us that less than half of the costs of supporting GCs are covered by their existing fee structure. Only 18 percent of respondents claimed that all costs were covered. The majority of hosting organizations charge a fee for services based on the percentage of annual GC assets, while a smaller percentage charge a flat fee, no fee, or a fee based on a percentage of GC giving. The most common reason community foundations reported about why they don't host or have stopped hosting GCs is that the benefits - including contributing to a culture of philanthropy and the potential to engage new and more diverse donors - are outweighed by the costs for now.

This research sheds new light on the growing power of giving circles and collective giving groups (GCs) as a highly accessible and effective philanthropic strategy to democratize and diversify philanthropy, engage new donors, and increase local giving. These flexible and often locally-focused vehicles for giving together are proving to be especially effective at engaging women and marginalized communities as donors – and providing learning and social networking opportunities that make giving both meaningful and more strategic. Because GCs remain largely local in their focus, they are often seen as a promising tool for community foundations seeking to contribute to a culture of philanthropy in their communities.

To learn more about GCs, please read the first in-depth report from the Collective Giving Research Group, [The Landscape of Giving Circles/Collective Giving Groups in the U.S., 2016](#), by visiting philanthropy.iupui.edu/gendergiving. To be added to the email list to receive the next reports on the impact of GCs and the dynamics of hosting GCs, please email us at CollectiveGivingResearchGroup@gmail.com.



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If you have questions or comments about this report or about the work of the Collective Giving Research Group, please email CollectiveGivingResearchGroup@gmail.com