

Rethinking the Philanthropic Script: Community Philanthropy, Collective Giving and Giving Circles

By Darryl Lester and Athan Lindsay

OUR CHANGING DEMOGRAPHICS

According to the 2000 U.S. Census, 30 percent of the U.S. population consisted of African Americans, Hispanics/Latinos, Asian Americans and Native Americans, and the U.S. government projects that by 2050 people of color will comprise nearly half of the U.S. population.

Over the last three decades, most of our nation's communities have witnessed a dramatic demographic shift that will continue. We are witnessing an ever-increasing population consisting of more people of color; immigrants for whom English is not their primary language; more people practicing a faith tradition other than Christianity; and more women controlling or responsible for how wealth is created, deployed, saved and expended. More

importantly, these demographic shifts also signal a change in how people care for each other through philanthropy and participation in strategic community building activities and projects. These changes in demographics present new opportunities for the field of philanthropy to devise new methods and approaches to engage the “new faces of philanthropy,” not as short-term initiatives but as a need to adapt to an emerging reality.

Only a small percentage of a typical foundation's portfolio supports initiatives or donor education around collective giving in communities of color. This indicates that institutional philanthropy is not in tune with the reality of the demographic trends in our country. We believe that this is an opportunity

to strengthen a donor base that can fund projects effectively from within its own communities while connecting with allies from other communities and creating leadership from within by leading with one's own resources. Some would refer to this type of giving as “philanthropy of community.”

COLLECTIVE PHILANTHROPY

In the mid- to late 90s, giving circles began to receive much written press. According to the Forum of Regional Associations of Grantmakers in Washington, D.C., “The concept is as simple as it is powerful. A giving circle is formed when individuals come together and pool their philanthropic dollars, decide where to give the money (and other resources such as volunteer time) and learn together about their community and philanthropy.” The forum's 2007 study identified more than 400 circles engaging more than 12,000 donors and giving close to \$100 million over the course of their existence.

Giving circles are one way for people to organize and pool their time, talent and treasure collectively, and redirect these collective assets strategically to benefit their community. It is important to note that although giving circles are garnering most of the attention as a giving trend within the field of philanthropy, we see other forms of collective giving taking place in communities, fueling the demographic transition. They are just as effective and are based in deep historical and cultural tradi-



PHOTO COURTESY OF THE COMMUNITY INVESTMENT NETWORK.

Members/donors of the A Legacy of Tradition (A LOT), an intergenerational giving circle of African American men in the Raleigh-Durham Area of NC.

tions. These collective giving models include hometown associations, mutual aid societies, fraternities and sororities, or organized giving through faith or religious practices. People have been organizing and transferring their resources collectively within plain sight of everyone, with or without recognition from organized philanthropy.

Speaking of giving circles without reference to the varied traditions within communities of color that are shaping our civic life is incomplete and imbalanced. Many attempts by philanthropic institutions to define and quantify collective giving have been somewhat shortsighted, furthering the notion that only certain socioeconomic and ethnic groups are givers and philanthropists. These studies have consisted primarily of collective giving models focused on white females as donors. But a broader look needs to take into account the varied collective giving traditions that have occurred in communities of color for many decades.

CREATING AN INCLUSIVE DEFINITION OF PHILANTHROPY

The European Foundation Centre in Brussels provides a good definition of philanthropy: “Philanthropy is the act of individual citizens and local institutions contributing money or goods, along with their time and skills, to promote the well-being of others and the betterment of the community in which they live and work. Philanthropy can be expressed in informal and spontaneous ways or it can also be expressed in formal, organized ways whereby citizens give contribution to local organizations, which in turn use the funds to support projects that improve the quality of life.”

Various studies and observations indicate that philanthropy in any culture seldom is practiced for purely altruistic reasons or motivated only by generosity. One should resist the temp-

Creating a New Script

Recommendations for the Field of Philanthropy

ACTION ITEM #1

Broaden the definition of philanthropy to be more inclusive of the traditions of giving among people of color.

- Change the framework at your institution to include different forms of collective philanthropy.

ACTION ITEM #2

Revive the concept of community philanthropy and the spirit of collective giving as central to philanthropy.

- Acknowledge existing forms of collective giving (Hometown Assoc., Fraternities, etc.) as philanthropic.

ACTION ITEM #3

Mainstream philanthropic institutions, especially community foundations, should engage in more strategic conversations with community groups practicing collective philanthropy.

- Provide educational opportunities to share the tools and techniques of philanthropy with community groups practicing collective giving to help them become more strategic.
- Create a space for new equitable collaborations between philanthropic institutions and community groups practicing collective philanthropy.

tation to use any language that implies that institutional philanthropy is either a better or more generous way of giving and caring about community issues. The type of philanthropic strategies that individuals or collectives employ is related directly to their exposure to the varied forms of philanthropic tools and trends. People choose these strategies under different life circumstances and within different social contexts. Equating certain types of gifts with charity and others with philanthropy can lead to misunderstanding that may offend, exclude, insult, deny access and lead to structural barriers.

While the “elite philanthropy” that generates eight-figure donations to colleges and universities may grab the headlines, it is those below the fold, or back page philanthropy in communities of color, that may be making the most creative investments in community-based grassroots solutions to the nation’s enduring social and educational inequities. Many times, conversations regarding those who employ the use of philanthropy remain restricted mostly to wealthy, celebrity, elite,

and white donors. If we operate from this traditional paradigm, it creates an archetype that reinforces certain communities as producers of philanthropy and certain communities as consumers of philanthropy. This notion creates a paradigm that needs to be changed to acknowledge the impact and the role that racial bias often plays in our recognition of longstanding community philanthropists in communities of color.

The concept of community philanthropy is providing space for old and newcomers at the institutional and community-based philanthropic table. These groups are utilizing individual and collective giving strategies to address inequities in their communities. Further research into collective giving and giving circles reveals that many groups are utilizing giving circles to change the donor profiles at many community foundations by having their funds hosted by these public charities. For some community foundation hosts, giving circles have been the beginning of the relationship with women and donors of color. Giving circles are serving as the vehicle to bridge the gap

between community and institutional philanthropy. This has the potential to result in the reallocation of grantmaking resources toward social justice and equity issues.

We believe that collective giving models are a viable and effective way to help broaden the field of philanthropy to reflect the nation's changing demographics and provide an access ramp for groups that have organized their combined giving outside of institutional philanthropy's esoteric world. Many organizations engaged in community-based giving could benefit from some of the tools and strategies utilized by institutional philanthropy. When it comes to designing outreach programs, it may be more helpful to think of diverse communities as social, cultural and voluntary networks that happen to have racial and ethnic ties to one another rather than focusing on the color divide. These networks may benefit from your program and expertise, just as your organization may benefit from their expertise and successes.

At the core, giving is giving. As more collective philanthropic models emerge and are sustained within communities of color, perhaps they can provide a bridge for more strategic partnerships between the professionalized field of philanthropy and those unrecognized concerned citizens who, through their giving, are trying to improve and better their communities. This offers a promise whereby those

“The kind of future we are primarily interested in is the way in which communities, whether in the workplace or neighborhood, rural town or urban center, create a wider sense of belonging among their citizens.”

—Peter Block, *Community: The Structure of Belonging*

from outside (institutional philanthropy) and those from within (the community philanthropists) are sharing the risk as well as sharing the investment in communities of color.

This could make not only a more enriching and more democratic form of philanthropy, but it even may fortify what many consider to be the unique makeup of our social fabric and national DNA: the historical propensity for community action by U.S. citizens to solve local problems. Alexis de Tocqueville, in his observations on our

emerging democratic republic, admired the vibrancy of citizen participation as the base of American democracy. He applauded how the forces that held democracy together and made it work most efficiently bubbled up through society, rather than trickling down from the government or a class of elites. If the field of philanthropy becomes motivated in its approach to these community philanthropists and their collective giving models with the same spirit and fervor as it approaches “high net worth individuals” to broaden the public's interest in philanthropy as a tool for community building and an act of civic participation, then we all will be better off. ■

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We look forward to hearing from you!