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Giving Circles

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Giving circles

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A **giving circle** is a recently-emerging and still developing form of philanthropy. In a giving circle, a group of members pool their funds and information in collective or joint donations to organizations, causes or individuals in need in their community or elsewhere. Part of the process involves study and information gathering to increase member awareness and engagement in giving. Through this process, members of giving circles seek to impact their own communities, regions or even to have more global impacts. Giving circles can also constitute strategic giving in the context of community economic development and social ventures.

Giving circles should not be confused with gift-exchange circuits, like the Kula circle identified by Bronislaw Malinowski among the Trobriand Islanders, or the Potlatches of Native American populations in the Northwestern U.S. and Western Canada.

Giving circles in the United States are a recent trend within the past two decades, but the underlying idea is grounded in traditions deeply embedded in mutual aid and self-help groups in American history and before that dating back centuries to European guilds, confraternities and other mutual aid societies as well as even earlier forms of giving.

At times, giving circles have been predominantly composed of women, who continue to make up the majority of today's giving circles - but the make up of contemporary circles tends to be more diverse in race, age and gender. To a degree, gender and religious connections of giving circles are indicated by the name, which bars some affinity to other traditionally informal women's and religious associations (e.g., sewing circles, knitting circles, hymn singing circles and prayer circles).

More importantly, social research on giving and gifts suggests a critically important role for women, who in most cases do the largest share, and carry the largest burdens of choice, timing, etc. in giving. ^[1]

In a typical giving circle, members may be expected to donate their own money or time to a common resource pool, and decide collectively where to make donations from the pool. In most instances, the resulting social and educational interaction associated with the decision-making, executing the gift, and any volunteer activities are among the most important and rewarding aspects. Individual donors who form or join a giving circle often seek to build community within their circle through social events, in addition to the economic impacts of the groups.

The decision-making of giving circles can be highly variable. Some are purely informal and others are fairly structured and formal. Informal circles may simply choose a target organization to support and allow each member to make an individual contribution. Formal circles may collect funds and bank them at a local community foundation or even hire consultants or staff to support the work of the circle. Giving circles can range in size from a handful of members to several hundred.

Donations may range from small amounts to thousands of dollars for each member or each year. One increasingly popular form of giving circle still largely undocumented in the current literature involves members of an extended family deciding collectively to forgo Christmas, birthday or other holiday gifts to one another in lieu of targeted donations to a religious, artistic, charitable, educational or other nonprofit organization or cause.

A study by Angela M. Eikenberry (2006) ^[2], of the University of Nebraska at Omaha, found that giving circles generally bring both long-time and new philanthropists to organized philanthropy. For both groups, participation seems to increase levels of giving while bringing “new money” to the nonprofit sector; especially to small and locally based organizations. Members also seem to learn about and give to organizations and individuals, and in interest areas, they most likely would not have given to otherwise. In addition, members are more thoughtful, focused and strategic in their personal giving because of educational experiences in the giving circle. These findings are based on 30 interviews with giving circle participants, staff, and philanthropic professionals working with giving circles, document analysis, and secondary data.

A 2007 study by the Forum of Regional Associations of Grantmakers' New Ventures in Philanthropy initiative identified approximately 400 Giving Circles in the U.S., more than double the number from two years earlier. ^[3]

A survey of 160 circles found that they leveraged \$13 million in 2006 alone, and nearly \$100 million to date. Nearly 12,000 people participated in the 160 giving circles surveyed; nearly half of circles now have male participants, and the popularity of giving circles is also growing among racial, ethnic and tribal communities as well as in the gay and lesbian community.

The number of giving circles with public identities on the web is expanding rapidly, and interested readers are encouraged to both check out the web links associated with this article (see links tab at the top) and conduct their own web searches.

1. ↑ Cheal, David J. *The Gift Economy*. London ; New York: Routledge, 1988.
2. ↑ Eikenberry, Angela. "Giving Circles: Growing Grassroots Philanthropy." *Nonprofit and Voluntary Sector Quarterly* 35, no. 3 (2006): 517-532
3. ↑ Rutnik, T. & Bearman, J. (2005). *Giving together: A national scan of giving circles and shared giving*. Washington, DC: New Ventures in Philanthropy.

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