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# Giving Circles in Asia: Newcomers to the Asian Philanthropy Landscape

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*Keywords:* Giving circle, Asia, philanthropy

## Introduction

Giving circles are a well-established phenomenon in contemporary American philanthropy. While the act of distributing pooled donations to charitable or community causes is not new, giving circles have grown in number and variety since the mid-1990s, fueling the interest of philanthropy support organizations and academic researchers.

Our interest in collective philanthropy arose from our studies of how venture philanthropy, a highly engaged model of giving, was becoming dispersed and adapted in several Asian countries. During these inquiries we serendipitously uncovered the existence of several giving circles that had either been “transplanted” into Asia from existing circles in the United States or Europe, or had apparently developed locally with no direct external link. We saw the adoption and adaptation of a model of giving, until now only noted and studied in the U.S., to be an interesting phenomenon for students of philanthropy in the U.S. and Asia.

It is widely accepted by practitioners and researchers that giving circles are not just a fundraising tool, but also an opportunity for individuals to learn more about giving, nonprofits, and social needs in their own communities. Most giving-circle models require individuals to donate quite modest sums and yet intellectually engage their members more deeply than “donation tin” or “checkbook” giving. This engagement and the multiplied resources of pooled funds can approach the kind of philanthropy more associated

## Key Points

- Amid the rapid development of philanthropy across Asia, over the past 10 years a number of giving circles have appeared in the region.
- This form of philanthropy, where individuals pool resources and provide grants to nonprofit organizations in their community, is well known and studied in the U.S. This article examines the phenomenon in Asia, and finds giving circles there to be either indigenous or based on models transplanted from the United States or Europe.
- While ancient traditions of charitable giving have existed for centuries in Asia, the concept of organized philanthropy in order to effect specific societal benefit is relatively novel, but developing rapidly in several countries. While giving circles are likely to grow in number there, the region’s relatively weak philanthropy ecosystem is a factor restraining their development.

with wealthy individuals or managed charitable funds. Eikenberry (2009) calls giving circles “a transformation in the way we [ordinary citizens] are attempting to address community problems through giving and volunteering,” and a way in which grassroots action becomes imbedded in “the ‘new philanthropy’ environment” of engaged and outcome-oriented donors who “invest” in social change (p. 2). Giving circles may be a bellwether for philanthropic development in Asia by offering people of modest wealth an additional means of engaging with nonprofits and social issues in their community or beyond.

*Our understanding of how giving circles fit into the wider philanthropy landscape, how they are organized, and the impact they have on their members and nonprofits comes from the body of research carried out in the U.S. over the past 10 years.*

### Methodology

In our study of venture philanthropy we interviewed several dozen philanthropists and philanthropy professionals in Asia, several of who were members of giving circles or aware of circles being established. This information prompted us to review the websites and online documents of established giving circles and networks in the U.S. and Britain to confirm if any had established or promoted affiliates or partners in Asia. We contacted key philanthropy professionals with whom we had existing relationships through our previous research in India, Singapore, Malaysia, Japan, and China, asking if they knew of giving circles in their countries. As we began to develop a list of circles in Asia, we contacted their members for interviews and asked these individuals if they knew of other initiatives in their country.

This word-of-mouth approach to data collection has obvious limitations. The only comprehensive exercise in determining the number of giving circles in a country has so far been limited to the U.S. in the pioneering work of Bearman and Eikenberry, who benefited from the relatively high visibility of organized collective giving, a mature philanthropy ecosystem, and a tax code that incentivizes giving circles to register as 501(c)3 entities or partner with community foundations. Determining with any confidence the actual number of giving circles in 34 Asian territories is

considerably more challenging and will require dedicated research.

Three of the giving circles in our study had no public profile – no website, publicity material, or affiliations that would render them discoverable. They were identified through the author’s networks and through interviews. It is likely that a significant number of organized giving circles are informal and virtually invisible to investigators. One was created by a small group of business associates and another operated by word of mouth in a diaspora community. We excluded giving circles that may have existed in the distant past – we found one Chinese women’s giving circle that had operated in colonial Singapore – or through closed cultural or ethnic groups. The historical antecedence for giving circles would be an interesting and challenging avenue for research, but one beyond the scope of our study and requiring a multidisciplinary approach across several countries.

Our intention was limited, therefore, to identifying a few contemporary giving circles in a handful of countries and understanding how they were initiated and evolved. We interviewed 43 individuals linked to Asian giving circles and to U.S. and British giving circles with activity in Asia by face-to-face meetings, phone, or email.

Only very recently has there been research interest in giving-circle activity outside of North America. Eikenberry and Breeze (2014) have focused their attention on Britain and Ireland, while researchers in Singapore (John, Tan, & Ito, 2013; John, 2014) have noted giving circles as an example of innovation in their studies of Asian philanthropy. Our understanding of how giving circles fit into the wider philanthropy landscape, how they are organized, and the impact they have on their members and nonprofits comes from the body of research carried out in the U.S. over the past 10 years.

### Giving Circles in North America

While collective acts of giving through mutual societies and fraternities have existed throughout

the history of American philanthropy, their expression as giving circles developed from the mid-1990s and reached sufficient volume to attract the attention of philanthropy support organizations and academic researchers from the early 2000s onward; the Forum of Regional Associations of Grantmakers identified 200 examples in 2004. Eikenberry (2009) writes that

[G]iving circles are hard to define, are flexible in form and nature, but typically exhibit five major characteristics – they pool and give away resources, educate members about philanthropy and issues in the community, include a social dimension, engage members, and maintain their independence (p. 57).

Eikenberry offers a typology of giving circles, noting that any individual circle may be a blend any of three “ideal” types. In “Small Groups,” leadership is often shared and decision-making highly distributed; there is little emphasis on engagement with the nonprofits being supported by the group; and the circles value social and educational activities. “Loose Networks” comprise an active, volunteer core group with a larger body of individuals affiliated with the circle but not necessarily identifying as formal members; Eikenberry suggests that membership in such networks is particularly attractive to women, with women-only groups making up 44 percent of all giving circles. “Formal Organizations” are often professionally staffed and have a board or core-group structure and a relatively large membership; decisions about grantmaking are structured through investment committees and engagement between members and nonprofits is encouraged.

Sixty-eight percent of U.S. giving circles studied by Bearman (2007, 2008) were hosted by a nonprofit organization such as a community foundation, which offered marketing, administrative support, and 501(c)(3) tax status in return for a service fee. While many giving circles are isolated and independent, others form networks to aid replication, learning, and good practice. The Women’s Collective Giving Grantmakers Network comprises 38 giving circles across 18 states, Impact 100 has 16 city chapters, and Social Venture Partners (SVP) had 27 chapters in the

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U.S. and Canada at the end of 2013. While giving circles engage members to a varying degree in decision-making and grant management, not all expect their members to offer counsel or consulting to the nonprofits receiving funding. One exception is SVP, whose chapters act like micro venture philanthropy funds by offering a tailored package of grants, business advice, and mentoring to the nonprofit.

The survey of 341 members of 26 giving circles by Eikenberry and Bearman (2009) supported the assertion that participating in a giving circle had a positive impact on an individual’s philanthropy and civic engagement. Giving-circle members gave more time and money and in a more focused and strategic way compared to a control group. Their knowledge of philanthropy, nonprofit organizations, and problems in their community all increased as a result of giving with others. This role of the giving circle as a laboratory for learning philanthropy in a collaborative setting may have a particular relevance in Asia, where modern expressions of giving are in their infancy.

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### Philanthropy in Asia

While many commentators in the West intuit that Asia is the “next big thing” in philanthropy, it is all too easy to offer generalizations about the state and trajectory of giving in the region. As the chief executive officer of the Asia-Pacific Philanthropy Consortium noted just a few years ago, statistics on philanthropy for the region as a whole are nonexistent (Francisco-Tolentino, 2010), and what data is collected between countries is often patchy and inconsistent. Asia is not monolithic; its 34 nations and special administrative regions form a diverse and complex patchwork of cultures, languages, political systems, and economies spread across vast distances.

In North America and much of Europe, there exist relatively well-developed philanthropy ecosystems, a robust regulatory environment for charitable giving and taxation, and a considerable body of academic research on philanthropy and its place in civil engagement and culture. While ancient traditions of charitable giving have existed for centuries in Asia, the concept of organized philanthropy in order to effect specific societal benefit is relatively novel, but developing rapidly in several countries. We know that factors influencing Asian giving include clan affiliation or religion (Quebral & Terol, 2002), family continuity (Mahmood & Santos, 2011), and caution concerning overt displays of wealth in jurisdictions with punitive tax regimes.

The remarkable growth in wealth throughout some of Asia – the region has more high-net-worth individuals than any other – is set against a backdrop of widespread subsistence, where half of Asia’s 3.26 billion people survive on less than \$2 a day. Wealth creation is only a crude proxy for philanthropy, with no guarantee for Asia of a U.S.-style gilded age of philanthropy resulting from wealth being donated to charity rather than inherited by family (Havens & Schervish, 1999). A significant proportion of giving in Asia is informal and unrecorded, even for large or regular donations, rendering comparative statistics between Western countries and Asia almost meaningless. Regulatory regimes vary widely, with tax and other incentives that are taken for granted in the U.S. and Europe still being developed by cautious Asian governments. The underdevelopment of the charity and social enterprise in Asia limits the capacity of the sector to absorb grants and social investment, and the lack of intermediary organizations to connect capital with capable social interventions means that all components of a functioning philanthropy ecosystem are relatively immature.

Despite such constraints, organized philanthropy in Asia is “taking root and there are several indications that it will boom in the next decade” (Economist, 2011, p. 14), with studies indicating a growing public awareness in the region about the importance of philanthropy for society (Francisco-Tolentino, 2010). The Economist is particularly optimistic about Asia’s embrace of strategic philanthropy,<sup>1</sup> learning from the “mistakes of earlier generations of philanthropists” (2011, p. 18), moving from reactive, “checkbook” giving to a more engaged approach that adds value and is focused on efficiency and results. The transfer of family business and associated philanthropy to a new generation of foreign-educated children is one driver of this evolution from traditional giving to more intentional, professionalized philanthropy and impact investing (Florent-Treacy & Carlock, 2009).

<sup>1</sup> The Economist describes “strategic philanthropy,” a somewhat contested term, as an approach that sets specific long-term goals, seeks professional partners, measures impact, scales up funding and is collaborative.

TABLE 1 Summary of Asian Giving Circles in July 2014

Giving Circle	Affiliation	City/Country	Year Formed	Approximate Number of Members	Diversity of Membership	Annual Member Donation	Typical Grant Size	Strategic Partnerships
SVP Bangalore	SVP Network affiliate & SVP India	Bangalore, India	2013	65	Mixed	\$3,500	Unknown	
SVP Mumbai	SVP Network affiliate & SVP India	Mumbai, India	2014	Forming	Mixed	Unknown	Unknown	
SVP Pune	SVP Network affiliate & SVP India	Pune, India	2014	Forming	Mixed	Unknown	Unknown	
SVP Beijing	SVP Network affiliate & SVP China	Beijing	2013	50	Mixed	\$5,000	Unknown	Leping Foundation
SVP Melbourne	SVP Network affiliate	Melbourne, Australia	2013	Forming	Mixed	\$4,500	Unknown	Ten20 Foundation (institutional member)
SVP Tokyo	SVP Network affiliate	Tokyo	2005 (formed from Tokyo Social Ventures, founded 2003)	100	Mixed	\$1,300	\$13,000	
SVP Seoul	None	Seoul, S. Korea	2012	40	Mixed		\$10,000	
SVP Singapore	None	Singapore	2010	Unknown	Unknown	\$4,000	Unknown	
Impact 100 Western Australia	Impact 100	Perth, Australia	2011	106	Mixed		\$88,000 (primary) \$4,500 (secondary)	Australian Communities Foundation
Impact 100 Melbourne	Impact 100	Melbourne, Australia	2012	Unknown	Mixed		\$88,000 (primary) \$4,500 (secondary)	Australian Communities Foundation
Impact 100 Fremantle	Impact 100	Fremantle, Australia	2013	Unknown	Mixed		\$88,000 (primary) \$4,500 (secondary)	Fremantle Foundation
TFN Australia	The Funding Network	Pilots in Sydney, Melbourne, and Perth	Forming 2014	Forming	Forming	Variable	\$9,000 minimum	
Awesome Southeast Asia (inactive)	Awesome Foundation	Melbourne, Australia	Unknown	Unknown	Mixed			
Awesome Delhi	Awesome Foundation	Delhi, India	2014	12	Mixed		\$165	
Awesome Sukhbaatar (inactive)	Awesome Foundation	Sukhbaatar, Mongolia	2012	4	Mixed	\$180	\$125	
Awesome Ulan Bator (inactive)	Awesome Foundation	Ulan Bator, Mongolia	2012	6	Mixed	Unknown	\$250	
Awesome Whangarei	Awesome Foundation	Whangarei, N. Zealand	2011	11	Mixed	\$350	\$850	
Awesome Bangkok (inactive)	Awesome Foundation	Bangkok	Unknown	8	Mixed	Unknown	Unknown	
Awesome Sydney	Awesome Foundation	Sydney	2011	12	Mixed	\$1,080	\$900	
Awesome Melbourne	Awesome Foundation	Melbourne, Australia	2011	9	Mixed	Unknown	\$900	@Pozible (crowd funding platform) TEDx Melbourne
Awesome Maldon	Awesome Foundation	Maldon, Australia	2011	4	Mixed	Unknown	\$900	Maldon Community Bank
First Seeds Fund	Little Black Dress Group	Sydney	2011	25 (plus others who give at events only)	Mixed			Little Black Dress Group
Dasra Giving Circles	None	Mumbai, India	2011	7 giving circles, 87 members	Mixed	\$20,000 (for 3 years)	\$600,000 (of which about \$90,000 is a fee to Dasra for consulting inputs and management)	USAID, DFID, Kiawah Trust
New Day Asia	None	Hong Kong	2007	86	Mixed	\$800	\$13,000	Linklaters
Focus India Forum	None	Singapore	2002	250 (180 giving regularly)	Mixed	\$320	Up to \$3,000	
Social Ventures Australia Angel Network	None		2004; disbanded 2007	Unknown	Mixed	\$4,500	Unknown	
Caring Friends	None	Mumbai, India	2002	350	Mixed	Variable	N/A	
ARJUN	None	Tokyo	2009	80	Mixed	\$6,400 (investment capital)	Variable investments	
ToolBox India	ToolBox Belgium	Mumbai, India	2009	45	Mixed	Volunteer time only	N/A	
100 Women	None	Perth, Australia	2014	100	Women (but men may join)	\$1,100	\$110,000	
20/20 Social Impact Leaders' Group	None	China	2014	20	Mixed	\$5,000	Unknown	UBS Optimus Foundation

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#### Giving Circles in Asia

We found four U.S. giving-circle networks – SVP, Impact 100, the Awesome Foundation, and the Washington Women’s Foundation – and one, the Funding Network, in Britain, that were directly linked to giving-circle promotion in Asia, although it appeared the resulting initiatives came less from any deliberate expansion strategy than an ad hoc response to inquiries from the region. We identified 23 giving circles in six countries linked to models in the U.S. or Britain. As well as these transplanted models, we further report 14 indigenous giving circles in four countries that were not directly tied to external organizations. (See Table 1.) By indigenous we simply mean initiatives not resulting directly from existing circles outside Asia or affiliated with them. We found that transplanted giving circles were promoted by a strong, locally based “champion” who had personally caught the vision for collective giving. None appeared to have resulted from an aggressive international corporate franchise, but rather were initiatives driven locally and supported by circles and their networks in the West. We found that nationals with international experience had

initiated most indigenous circles, although some were established by returning diaspora or resident expatriates. Our primary categorization of giving circles as either transplanted or indigenous is offered as an initial typology based on the facile observation that some were linked to foreign circles while others were not.

#### *Transplanted Giving Circles*

*Social Venture Partners*, founded in Seattle in 1997, grew to 27 affiliated chapters in the U.S. and Canada by the end of 2013. Each partner typically donates \$5,000 a year, enabling each city chapter to make several large grants to local nonprofits. SVP’s venture philanthropy approach encourages partners to engage with the management team of the supported nonprofit as an active “investor” rather than a passive donor. SVP’s first chapter outside North America was established in 2005 in Japan, when Tokyo Social Ventures<sup>2</sup> rebranded and became an affiliate of the SVP network. SVP Tokyo remained a geographic outlier of the network until 2012, when affiliates began to form in Australia, India, and China, each initiative driven by a local champion and supported by the network office. The chapters in India – Bangalore, Pune, and Mumbai – are branches of SVP India, which is formally registered as a nonprofit company. A similar umbrella structure is planned for SVP China once it grows beyond the initial chapter in Beijing, which was launched in November 2013 with 50 partners. SVP China is hosted by the Leping Foundation, a structure that avoids independent registration. In Australia, right from the start the founders of SVP Melbourne wanted the flexibility to invest in social enterprises and offer grants to nonprofits. They therefore decided against the administrative convenience of partnering with a community foundation and instead sought an independent and parallel legal structure permitting grantmaking and investment.

These four extensions of SVP’s footprint in Asia – Japan, Australia, India, and China – resulted in chapters that became formal members of SVP

<sup>2</sup> Tokyo Social Ventures was formed in 2003 by a group of young Japanese professionals who wanted to support social innovation. It was loosely modeled on SVP but did not become an affiliate chapter until 2005.

Network, paying an affiliation fee and receiving intellectual and training resources in return. The SVP model also inspired copycat giving circles in Singapore and Seoul, South Korea, in 2011 and 2012 respectively, with the tacit blessing of SVP Network. The way these circles organized departed from SVP's core model and they chose not to become affiliated with the network.<sup>3</sup>

*Impact 100* saw its first international chapter formed in Perth, Western Australia, after an Australian fundraising professional visited the West Coast of the United States in 2011. *Impact 100*'s proposition was straightforward – that 100 people each donated \$1,000 and used the pooled funds to provide a substantial annual grant to a local nonprofit. In 2012, a second chapter opened in Melbourne; in 2013, the Fremantle chapter was launched as an initiative of the city's community foundation. The Western Australia and Melbourne chapters partnered with the Australian Communities Foundation to benefit from administrative support and tax deductions. There is no formal agreement between *Impact 100* chapters in the U.S. and the three in Australia; the arrangement is based on what the chapter founder in Perth described as "extraordinary international goodwill." *Impact 100* chapters in the U.S. are composed exclusively of women; the Australian chapters were of mixed gender, although predominantly women.

*The Awesome Foundation for the Arts & Sciences* is a global network that grew from a single initiative in Boston in 2009 to 54 chapters in the U.S. and Canada and 27 in Latin America, Europe, and the Asia-Pacific region. A chapter comprises from five to 20 individuals who each pledge \$100 per month and disperse small grants to a "crazy, brilliant idea"<sup>4</sup> in their communities, without restriction to what would qualify as a charitable grant for tax purposes. The informality of the chapters, use of social media, and low financial barrier to joining attracts people in their 20s.

<sup>3</sup> In May 2014, SVP Seoul was accepted as an affiliate of SVP Network, a signal that the network is increasingly a broader canopy of giving circles – some of which may not be branded as SVP.

<sup>4</sup> Awesome Foundation website homepage, [www.awesome-foundation.org/en](http://www.awesome-foundation.org/en), accessed 26th November 2014.

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While new chapters spring up easily, many appear to run out of momentum and are described as "dormant" on the network's website. There are nine Awesome Foundation chapters spread across Australia, Thailand, New Zealand, Mongolia, and India, although three were listed as inactive in March 2013, having not dispersed a grant during the previous six months. Awesome chapters are self-policed, relying on the virtual community of chapter members.

*The Washington Women's Foundation* has collaborated with the Seattle International Foundation and the University of Washington to create Global Women – Partners in Philanthropy, a platform to foster collective giving internationally. By 2013, the initiative had hosted exchange visits by Chinese philanthropy organizations to giving circles on the West Coast to promote new circles in China.

The Funding Network (TFN) is an event-driven network of funding circles that originated in London in 2002. The network's funding events are open to the public and feature short pitches by preselected nonprofits, which elicit pledges from the floor. By 2012, the network grew to nine cities in Britain and established groups in Canada, Ro-



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mania, and Bulgaria, most of which are partnered with local community foundations. In 2013, a group of 21 individuals, foundations, and businesses held pilot events in three Australian cities in advance of launching TFN Australia in 2014. The events raised \$328,000, including funds provided by family foundations that matched the pledges from individuals. One priority of TFN Australia was to support the development of the social-enterprise sector by providing startup and early-stage grant funding. This example of “enterprise philanthropy” addresses what Koh, Karanchandaria, and Katz (2012) refer to as the “pioneer gap,” where small social enterprises require grants before attracting mainstream impact investment.

These examples of Asian giving circles are either formally affiliated with, loosely connected to, or informally inspired by models from the U.S or Britain and represent the first strand of giving-circle activity in Asia we observed.

#### *Indigenous Giving Circles*

We identified a small number of giving circles in India, Singapore, Hong Kong, and Australia apparently unconnected to any model outside of the region. These included a circle for women

only, one working among a diaspora community, a group for next-generation philanthropists, and a cluster of circles hosted within a venture philanthropy fund. Indigenous giving circles have no direct link to groups outside Asia and appear to have developed their own models without explicit reference to existing ones. In the globalizing field of philanthropy they are likely to be influenced, if even unconsciously, by established models in the U.S. and Europe where there has been an opportunity to connect with and learn from them. As giving circles in Asia form, experiment, learn, and connect with others inside and outside the region, the learning will increasingly flow both ways. There is no compelling reason to expect that indigenous giving circles will necessarily be structured and behave differently than those in the U.S. or Europe, or their Asian transplants. But as we will see, there are factors in Asia that are likely to influence how these circles are initiated and develop in response to cultural context.

*Dasra*, which means “enlightened giving” in Sanskrit, is a nonprofit venture philanthropy fund established in Mumbai, India, in 2003. As a pioneer in high-engagement grantmaking, Dasra operated in the relatively underdeveloped Indian philanthropy ecosystem (Dua, John, & Soni, 2012) and by consequence needed to actively promote and support both social entrepreneurship and high-net-worth fundraising to provide deal flow and resources for its core work. In 2010, Dasra convened the first Indian Philanthropy Forum, a peer-learning platform for high-net-worth donors, during which the Dasra Giving Circle (DGC) initiative was conceived. In the first three years Dasra initiated seven giving circles, engaging 87 donors and raising \$4.2 million in a hybrid model that combined a managed venture philanthropy fund and a giving circle. Before a circle was formed, Dasra’s research team published a comprehensive mapping and sector analysis of a social problem and a short list of nonprofits that made innovative efforts to address the issue with a potentially scalable operating model. At this point Dasra convened 10 or so individuals with a strong interest in the particular social issue analyzed by the research team. The circle drew on the report and advice from Dasra, but has the freedom to select

which nonprofit to support over the three-year life span of the giving circle. Each member donated one million Indian rupees (\$20,000) per year for three years.<sup>5</sup> Eighty-five percent of the resulting pool of \$600,000<sup>6</sup> was drawn down as expansion capital against the nonprofit's business plan and quarterly milestones. The remaining 15 percent was retained by Dasra to cover the cost of delivering 250 days of technical consulting, training, and mentoring by its project support team over the three-year funding cycle. The giving-circle members monitored organization performance and social impact through quarterly conference calls and balanced-scorecard reporting, and offered advice to the nonprofit's management team in addition to Dasra's consulting resource. Dasra has published sector reports on nine issues, from which seven giving circles have been formed.<sup>7</sup>

Most of DGC's members are Indian individual donors, but several circle places are taken by Indian and foreign grantmaking foundations that also have a single vote at the table. The commitment of \$60,000 over three years for circle membership is the largest in Asia and, indeed, much bigger than typical individual donations made in U.S. giving circles. While this makes sense given the high-net-worth target group in Mumbai, when Dasra decided to cultivate potential members from the Indian diaspora in Singapore one of its supporters agreed to underwrite the cost of a membership place and syndicate it down to six or seven others who would each contribute one lakh of rupees (\$1,600). The syndicate collectively has one vote and contributes as any other member in discussions and project monitoring. Lowering the hurdle to participation through syndication is an interesting initiative by Dasra's Singapore donors, maintaining the decision-making process but

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Dasra's model blends characteristics of an institutional venture philanthropy fund (e.g., sector research, due diligence, professional consulting, balanced-scorecard performance measurement) and a giving circle (collective decision-making, socialization, donor education). By keeping members engaged throughout the process and ensuring they make key investment decisions, the model avoids becoming simply a donor circle that passively provides funds for Dasra's own venture philanthropy operation.

*Focus India Forum (FIF)*, another giving circle that targets members of the Indian diaspora in Singapore, has 250 members, of whom 180 give regularly. Unlike Dasra's focus on relatively high member donation, FIF requires members to give only 20 Singapore dollars (about \$16) each month, although many give more, especially when receiving a salary bonus. Members are Indian nationals living in Singapore or people of Indian heritage who have adopted another nationality. Since starting up in 2002, the circle has distributed \$124,000 to Indian nongovernmental organizations via grants that are typically less than \$2,230.

Members also collected and distributed used clothing, toys, and books, which are shipped back

<sup>5</sup> All dollars in U.S. dollars.

<sup>6</sup> The rupee has been steadily devaluing against the U.S. dollar since 2010. A one million-rupee pledge was worth \$23,000 in May 2010 and in May 2013 was valued at \$17,000. The purchasing power in India has only declined by the rate of inflation (approximately 8 percent per year).

<sup>7</sup> Giving circles have been formed on education of girls, improving Mumbai's public schools, child malnutrition in urban slums, empowerment of adolescent girls, urban sanitation, youth development through sports, and anti-sex trafficking.

*New Day Asia began in 2007 around a dinner table of eight friends, became registered as a private company with tax-exempt status, and in six years raised \$425,040 supplemented by \$137,657 in co-funding from corporate partners. The corporate partners are law firms, which New Day Asia effectively provided with philanthropy services for their staff through volunteering opportunities and site visits.*

to charitable causes in India. From time to time FIF donated money or goods to South Asian migrant workers in Singapore suffering hardship. It has remained a volunteer-run, highly informal giving circle that has not sought formal registration and is not eligible for tax deductions on donations sent overseas. The group has a strong social and educational focus, and views as a key objective ensuring that diaspora members are informed about the nonprofit sector in India and the impact of their donations. When Indian nonprofit leaders visited Singapore, FIF invited them to speak at member social events. When the CEO of Dasra spoke to FIF during a fundraising visit to Singapore, several members were recruited as active donors to Dasra and its Singapore giving-circle group. An unusual “circle within a circle” was created when FIF took syndicated places on two of Dasra’s giving circles alongside other individuals from Singapore’s Indian diaspora community. This enhanced the learning opportunities for FIF members by allowing them to experience Dasra’s sophisticated venture philanthropy model while donating a relatively modest sum.

*First Seeds Fund*, one of only two gender-specific giving circles we found in Asia, is linked to Little Black Dress Group, a professional network for businesswomen in Australia. The giving circle was established in 2011 as a sub-fund within the Sydney Community Foundation, which provided tax deductions on donations but did not restrict the circle’s mandate geographically, and placed all decision-making in the hands of its members. The circle initially focused on supporting girls and young women in Warwick Farm, an economically deprived estate on the outskirts of Sydney. First Seed Fund collaborated with nonprofit and government initiatives on the estate by providing grants and the mentoring skills of its members, who act as “big sister” role models to girls struggling with formal education or difficult home lives.

Members track the impact of their financial and nonfinancial interventions using metrics such as school enrollment, improved schoolwork, and increased parental involvement. The circle has 25 members, with many others from the Little Black Dress network donating occasionally or at fundraising events.

*100 Women*, in Perth, Western Australia, was launched in March 2014 with an annual membership donation of \$1,125, and plans to make three grants of up to \$40,000 annually to registered nonprofits working with vulnerable women and girls. While its recruitment material targets women, as suggested by its name, the circle appears to be open to male membership.

*New Day Asia* is a Hong Kong-based circle initiated by a small group of expatriate business professionals who wanted to respond to the impact of the sex trafficking industry in Asia. The circle began in 2007 around a dinner table of eight friends, became registered as a private company with tax-exempt status, and in six years raised \$425,040 supplemented by \$137,657 in co-funding from corporate partners. The corporate partners are law firms, which New Day Asia effectively provided with philanthropy services for their staff through volunteering opportunities and site visits. The partnership with leading global law firms

was directly useful for nonprofits supported by the circle, including a Cambodian human rights NGO, when pro bono advisory services led to the prosecution of child sex offenders in Hong Kong. New Day Asia's members have funded and volunteered for NGOs in India, Cambodia, China, and Nepal, often in collaboration with grant-makers and venture philanthropy funds in Hong Kong. The circle's founders understood the risks associated with relying entirely on the volunteer labor of members, but resisted employing staff for project management or administration because it views such member engagement as a core value of the circle. New Day Asia plans to support fewer NGOs at any one time but develop deeper relationships with each, making fewer but larger grants and offering nonfinancial advice. The circle is evolving into more of a venture philanthropy model, having learned that grants coupled with advisory relationships have potentially greater impact on the organizations and, therefore, their beneficiaries (Grossman, Appleby, & Reimers, 2013).

*Caring Friends India* is an informal network of several hundred businesspeople that funds rural NGOs. The group does not collect and pool donations, but is a platform that connects circle members directly with preapproved nonprofits. An inner circle of members screens potential grantees, which often requires arduous travel to rural areas. The successful NGOs were funded by this core group for a probationary period before being invited to make presentations to the entire membership for second-round funding.

*20/20 Social Impact Leaders' Group* illustrates how the educational dimension of giving circles, evident from American research, has stimulated the interest of wealth managers such as private banks. In Asia, private banks target family-based philanthropy as a key commercial offering and much of this effort includes advising clients on intergenerational transfer of businesses, wealth, and associated family philanthropy. A "next-gen" giving circle was launched at the UBS Family Legacy and Philanthropy Forum in Shanghai in July 2014. The 20/20 Social Impact Leader's Group comprises 15 to 20 young people whose family businesses may

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be associated with the bank's advisory services. The individuals have donated \$5,000 each and, with advice and matching grants from UBS Optimus Foundation, will identify a small number of Asian nonprofits to support with money and their personal engagement.

The circle members are typically ages 25 to 35, likely to have a major role in their family business, and educated in the U.S. or Europe.

### Adapting for Success

Most of the giving circles we looked at were established less than three years ago or are in the process of starting up. While they are still in an exploratory and experimental phase, it would be unwise to draw too many conclusions about their trajectory and how they will adapt to local Asian contexts. We offer here an initial reflection based on a modest number of circles that are mostly still in formation.

Giving circles that are transplanted into Asia from the West are more likely to flourish if they adapt

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to the local context, although none we were aware of appeared to be constrained by any link to external groups. Indigenous circles created locally must equally develop in such a way to maximize their impact – on members and grantees – by reflecting the needs and opportunities locally. With increasingly mobile, global professionals and wealthy individuals, the distinction between “transplanted” and “indigenous” will likely become blurred if not irrelevant as philanthropy learning globalizes. Indeed, whether transplanted or indigenous, most of the giving circles we explored have more in common with existing models in the West than they have differences.

### **Drivers That Shape Giving Circles in Asia** *Regulatory Environment*

Philanthropy initiatives such as giving circles in the U.S. and most of Europe enjoy supportive regulations and tax incentives. Western giving circles may formally register as nonprofit organizations or operate under the umbrella of intermediaries like community foundations, benefiting from tax deductions for donations made by members to the pooled fund. In Asia, registration and tax legislation are much more complex. Some jurisdictions

provide tax deductions or their local equivalent directly or through affiliation with a community foundation. Even in a relatively well-regulated and sophisticated philanthropic market such as Singapore, only 27 percent of the country's nonprofits (including religious organizations and educational establishments) carry the regulatory status necessary for donors to claim tax relief – and donations made overseas carry no tax relief. Donations by individuals and corporations in 2010, as captured through tax receipts, were estimated to total only 20 percent of all charitable giving in Singapore (John, Tan, & Ito, 2013). In India and China, where registration as a nonprofit is a lengthy and bureaucratic process – often with few benefits, SVP adopted a federal structure. SVP India obtained Section 25 nonprofit incorporation, with city chapters deemed to be branches not requiring independent registration. The board of SVP India is comprised of the chairs of its chapters, who can set national priorities for SVP grantmaking; each local chapter sets funding policy for local causes. The funding of NGOs working on sustainable livelihood was set as a national priority adopted by all chapters, while SVP Bangalore, for example, adopted waste management as a theme for local support. This federal structure, an innovation for the SVP network globally, offers more than an administrative workaround: it encourages both national and local character in chapters and influences SVP's mission and operations in India.

In China, SVP sheltered under the legal identity of the Leping Foundation, its founding strategic partner, with the aim of creating 10 city chapters by 2020; the first, SVP Beijing, was established in November 2013. To seek an independent legal status would have created considerable hurdles for SVP China and local chapters, given the regulatory environment for nonprofits in China.

In Australia, charitable registration is not onerous. The desire of SVP Melbourne's founding partners to both give grants and invest in social businesses led them to create a dual structure – a public ancillary fund for grantmaking and a separate partners' investment fund incorporated as an operating company. This desire for flexibility also led the

founders to reject fiscal partnership with a community foundation, which they deemed would restrict control over their investment strategy.

These Asian adaptations to the core SVP North American model were influenced by regulatory factors, the desire for funding scalable social solutions, and an acceptance that investment in social businesses offers an alternative to more traditional nonprofit grantmaking. They support our observation that SVP is not operated like a tight franchise or subject to “headquarters” control. The SVP initiatives in Asia have been championed by local leaders and supported by the network office to find their own shape and identity. Impact 100 and the Funding Network also have a light-touch approach to corporate identity, with trust and goodwill mostly replacing licensing-type agreements.

Caring Friends and Focus India Foundation are small, indigenous circles that have remained unregistered either because obtaining formal legal status is onerous (in India) or because there is little tax incentive for making international donations (Singapore). Such circles effectively remain informal and invisible, operating largely by word of mouth through business or social networks, and will lead to a significant underestimation of the number of giving circles in Asia.

#### *Visibility*

A cultural distaste for open displays of wealth in many Asian countries contributes to the lack of incentives for a giving circle to formally register and have a public profile. Our study was constrained by the difficulty of identifying circles that operate in private networks, without websites and promotional material or links to community foundations. One circle in Singapore inspired by the SVP model, but not affiliated to the network, has no public visibility and operated as a closed, invitation-only group. The circle provided us with information about its grants on condition that we not release details. The invisibility of groups in Asia will lead to underreporting of numbers and, more critically, hamper the maturing of the movement as circles remain poorly networked and unable to learn from one another.

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#### *Mission Scope*

Western giving circles, like the community foundations that often host them, are locally focused, with members drawn by a desire to support nonprofits that will address problems in their community. Several giving circles in our study, both transplanted and indigenous, draw their membership locally but see their mission as extending beyond the community to supporting solutions to systemic social problems. The scale and complexity of social problems in Asia, and its relatively underdeveloped nonprofit sector, creates a moral imperative to go beyond supporting isolated local initiatives to fund “best in class” NGOs that can offer potentially replicable and scalable solutions.

This is an approach akin to the venture philanthropy that characterizes Dasra, New Day Asia, and SVP India, emphasizing the selection of nonprofits that demonstrate a potential to address root causes with scalable solutions. This driver to act beyond the local requires giving circles that engage their members as active donor/volunteers, have an investment process that borrows from venture philanthropy, and are prepared to collaborate with other funders, intermediaries, and government. Dasra includes institutional grant-

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makers as members of its giving circles. New Day Asia gains impact leverage through partnership with legal firms to unlock pro bono services, and through Hong Kong-based family and venture philanthropy funds to co-fund nonprofits in Tibet and India. SVP India's founder, a former chairman of Microsoft India, wanted to create "a Plug & Play platform for anybody with socially transformative ideas ... [who] could come to SVP ... [and] use our brand and collective ability to raise resources and do something" (John, 2014, p.38).

### Member Donations

If giving circles are "philanthropy democratized," then they should be financially accessible to ordinary working and professional people. Several giving circles the North America and Britain suggest an annual donation level for members. SVP chapters typically require partners to donate \$5,000 or more per year, a level that has been adopted by SVP in China and Australia but is lower in India (\$3,500), Tokyo (\$1,300), and Seoul

(\$500, although founding partners give a larger sum). A lower fee in the Asian context would be expected because the habit and expectations of giving are relatively high in the U.S. and Canada. SVP in Korea and Japan attracts individuals at the early stages of their careers, with less disposable income than is typical of chapters in the U.S. It is interesting that SVP in China decided to maintain a U.S. level of donation in a country where philanthropy is still at the earliest stages of development, but the target group of senior professionals and entrepreneurs is comparable to the makeup of a Western chapter, for which a donation of \$5,000 is not a stretch.

Impact 100 uses the formula of 100 members that each give \$1,000, and in Australia this is replicated, although AU\$1,000 is equivalent to \$900 at the current exchange rate. The Awesome Foundation model in the U.S. and Canada requires relatively small donations of up to \$100 per month by each "trustee." The value of this price point is approximately maintained in Australia and New Zealand (denominated as \$100 in local currency, equivalent to \$90 and \$83, respectively), but in Mongolia trustees each contributed only \$11 per month.

Focus India Forum appeared to be a modest effort in giving when measured by member donation or grant size, but its socialization and educational activities among the Indian diaspora provided opportunity for personal and collective growth as philanthropists. Several have dipped their toes into strategic giving in the circle and progressed to become major donors, either outside of the circle or through syndicated collaboration with Dasra.

We observe few differences between transplanted and indigenous giving circles. This may in part be due to subtle adaptations that transplanted initiatives have made to fit better with local custom, such as lowering donation levels (SVP) or having mixed gender circles (Impact 100). All the giving circles placed value on providing the opportunity for members to be educated about philanthropy and social issues, to rest grantmaking decisions with the membership, and to encourage personal engagement beyond writing a check. SVP chapters in the U.S. tend to fund nonprofits in their

locality, whereas in India there was a strong desire to balance support for local causes with that for systemic, national issues. The Awesome model favors modest local interventions, in the U.S. or in Asia. Indigenous circles could be locally focused (First Seeds Fund) or national/regional (New Day Asia and Dasra).

### A Future for Giving Circles in Asia

One swallow does not a summer make, and a few dozen giving circles in Asia do not necessarily constitute a philanthropic phenomenon. Our investigation of venture philanthropy development in Asia revealed initiatives in collective philanthropy, either linked to Western organizations or homegrown, which had not yet received attention in publications. Research has shown that giving circles play a valuable role in North American philanthropy, lowering the barrier to participating in impactful giving and changing the knowledge, attitude, and practice of members to philanthropy and social issues. For many they are a formational stage on a lifelong giving journey, helping individuals and families release time and money and better understand how impact can be maximized. Our own data set, obtained serendipitously through other research, is modest, and unearthing other giving circles in a largely low-profile culture will prove a challenge to researchers. But from our own experience of Asia, we are sanguine about the place for collective giving for a new generation of philanthropists who, while respectful of traditional cultural patterns, want to explore new models. For transplanted circles, the flow of knowledge so far has been “west to east,” but there are early indications that Asian giving circles are evolving through innovation. SVP’s federated structure in India, combining local and national funding priorities, and its aspiration to become a platform for systemic social change may well have lessons for the North American network. SVP Melbourne’s dual fund structure for grantmaking and impact investing is a nimble response to the modern nonprofit environment in Australia.

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*Dasra’s hybrid model is informed by quality sector research, has an appetite for cross-sector collaboration, and uses syndication to include more than the very wealthy. Established giving circles in the U.S. and Europe could usefully examine such innovations from India.*

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The lack of an adequate philanthropy infrastructure throughout Asia is likely to temper the growth and development of any giving-circle movement. The relative lack of intermediaries such as community foundations, philanthropy support organizations, and networks means that giving circles operate in isolation, seldom knowing of one another’s existence and lacking opportunity to learn or collaborate. Our brief, snapshot inquiry raises far more questions than it answers: How many more giving circles are there in Asia? Can we develop a robust typology based on their mission, operations, size, level of member engagement, and composition? What impact does membership have on individuals’ growth as philanthropists and in civic engagement? How do transplanted models adapt to local Asian contexts – regulatory, religious, and social environments – and are there acultural attributes that are universal? How can networks help the two-way flow of learning and collaboration between West and East? How do diaspora-led giving circles serve their communities in a region with large migratory flows of labor?

Philanthropy is not yet widely embraced by wealth creators and a rapidly growing middle



*Philanthropy is not yet widely embraced by wealth creators and a rapidly growing middle class in Asia, but giving circles could offer them a safe, collaborative model that shares risk and learning. Until private philanthropy enjoys the level of transparency found in the U.S and some of Europe, there will be some public mistrust and cynicism about organized models of giving.*

class in Asia, but giving circles could offer them a safe, collaborative model that shares risk and learning. Until private philanthropy enjoys the level of transparency found in the U.S and some of Europe, there will be some public mistrust and cynicism about organized models of giving. The China Foundation Center is one leading Asian example of bringing public accountability to private giving, but the region needs much more. Giving circles offer another building block in the development of Asian philanthropy. The establishment of even an informal network of giving circles in Asia, collecting and analyzing data, sharing good practice, encouraging collaboration, and promoting all models of collective giving would enhance the growth and impact of giving circles across the region.

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