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# Who Benefits From Giving Circles in the U.S. and the U.K.?

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*Keywords: Giving circles, philanthropy, giving, volunteering, charities*

## Introduction

Around the world, social transformation is producing a greater need for philanthropy. At the same time, this transformation — specifically, a breakdown in traditional support structures as society becomes increasingly fragmented and individualized — is motivating people to become more active at the micro level (Hustinx, 2010; Wuthnow, 1998). Giving circles have emerged from this context, providing donors with a hands-on, do-it-yourself approach to philanthropy and engagement.

Giving circles bring people together to support organizations and individuals, and frequently include social, educational, and engagement opportunities that can connect members to their communities and to one another. One of the reasons most-often cited for joining a giving circle is a desire to become more involved in the giving process — engagement that goes beyond merely writing a check to interacting directly with beneficiaries. Some describe giving circles as “democratizing” philanthropy for this reason and because giving circles seem to attract people not normally engaged in traditional philanthropy — the less wealthy, women, and young professionals. They also foster learning about community issues as well as the charities attempting to address those issues. Giving circles have emerged as an alternative to mainstream, professionalized, bureaucratic philanthropy (Eikenberry, 2009).

Given their grassroots nature, it is impossible to say how many giving circles exist. By many indications, however, they are growing in number worldwide: Dean-Olmsted, Bunin Benor, and Gerstein (2014) estimate one in eight American donors have participated in a

## Key Points

- Giving circles have emerged around the world as an alternative to mainstream, bureaucratic philanthropy. This article examines the types of organizations that benefit from giving circles in the U.S. and the U.K., drawing on data from interviews, surveys, observations, and documentation collected in both countries.
- The findings show that giving circles tend to fund certain types of organizations — often those that are small and locally based, startups and newer organizations that are reorganizing or transitioning, those that have a business orientation, and those that can engage members or show significant impact in relation to their size.
- While some populations, such as women and girls and those from minority racial and ethnic groups, appear to be benefiting more from giving circles than had been the case in traditional philanthropy, giving circles may do little to shift the norm — that most philanthropy does not go to the poor and needy. For organized philanthropy, supporting giving circles may be a means to expand giving to traditionally underserved groups and might help shift funding to smaller community organizations.

giving circle. An increasing number of giving circles have been identified in Canada, Japan, South Africa, Australia, Romania, Bulgaria, the United Kingdom, Ireland, various locations in Asia, and elsewhere. While a growing body of research has mapped out the landscape of giving circles and their impact, it has focused almost exclusively on donors/members (Bearman, 2007a, 2007b; Beeson, 2006; Dean-Olmsted et

*Who benefits from this giving? One reason people contribute to charitable organizations is a belief that their support benefits the poor and the most disadvantaged (Mohan & Breeze, 2016). However, philanthropic giving in the U.S. goes primarily to religious organizations (32 percent of total) and education (15 percent); human services receive only 12 percent of contributions and health only 8 percent (Giving USA, 2016).*

al., 2014; Eikenberry, 2009, 2010; Eikenberry & Bearman, 2009; Eikenberry & Breeze, 2015; Ho, 2008; Moody, 2009; Ostrander, 2007; Rutnik & Bearman, 2005; Shaw-Hardy, 2009; Thiele, Eikenberry, Metton, & Millard, 2011; Witte, 2012). Very little attention has been paid to funding recipients or, in particular, understanding what types of beneficiaries are attractive to giving circle members and how this might differ from more conventional giving.<sup>1</sup> That is the focus of this article: Who benefits from giving circles in the U.S. and the U.K.?

This question is important for several reasons. As approaches to philanthropy evolve, it is essential that nonprofit organizations seeking to improve social conditions understand how

new philanthropic tools and approaches will impact society. Who benefits and who loses with these new approaches? Community foundations and other philanthropic institutions in the U.S., the U.K., and elsewhere have devoted staff and resources to start and support giving circles with the assumption that these groups will inform giving and improve its impact. Understanding who benefits is key.

The literature review that follows provides an overview of who benefits from traditional philanthropy and discusses what we know from published research on giving circles. The methodology is then outlined — research draws on data from nearly a decade’s worth of interviews, surveys, observations, and analyses of secondary sources from studies conducted in the U.S. and the U.K. Findings are presented, and the article ends with discussion and conclusions.

### Literature Review

The nonprofit sector in the U.S. is a significant force: In 2013 there were more than 1.41 million registered nonprofits, receiving over \$2.26 trillion in revenue and holding \$5.17 trillion in assets (McKeever, 2015). Charitable contributions from individuals (80 percent of the total), private foundations (15 percent), and corporations (5 percent) amounted to \$373.25 billion in 2015 (Giving USA, 2016). The U.K. had 167,109 registered charities in 2016, receiving an annual income of almost \$94.9 billion (Charity Commission, 2016).

Who benefits from this giving? One reason people contribute to charitable organizations is a belief that their support benefits the poor and the most disadvantaged (Mohan & Breeze, 2016). However, philanthropic giving in the U.S. goes primarily to religious organizations<sup>2</sup> (32 percent of total) and education (15 percent); human services receive only 12 percent of contributions and health only 8 percent (Giving USA, 2016). Other studies have found that less than

<sup>1</sup>For exceptions in the U.S. context, see Eikenberry (2008) and Ray (2013).

<sup>2</sup>Although part of this funding is funneled into assistance for the poor, a large portion stays within the religious organization to benefit its members. Saxon-Harrold, Wiener, McCormack, and Weber (2000) found in a 1996 survey that “of the \$9.6 billion in donations by religious congregations, 66% was distributed within the denomination, 23% to organizations outside the denomination, and 11% was given in direct assistance to individuals” (p. 5).

one-third of all charitable contributions go to the poor (Matthews, 2013; Center on Philanthropy at Indiana University, 2007). The Institute for Jewish & Community Research also found that only 5 percent of the total dollars from gifts of \$1 million or more goes to social service organizations; 44 percent of total dollars goes to colleges and universities, followed by hospitals and other medical institutions (16 percent), and arts and cultural organizations (12 percent) (Tobin & Weinberg, 2007). Minority-serving organizations receive a very small percentage of contributions — only 3.6 percent of foundation dollars goes to minority-led nonprofit organizations (Greenlining Institute, 2006) and estimates are that between only 5 percent to 7 percent of foundation giving is earmarked specifically for programs and activities benefiting women and girls (Foundation Center & Women's Funding Network, 2009). Among individual donors, 14.6 percent report giving to a particular area that impacts women and girls (Women's Philanthropy Institute, 2016). There are disparities across organizations — smaller organizations with budgets under \$2 million, representing 80 percent of charitable institutions in the U.S., typically receive the smallest share of philanthropic funding (McCully, 2008).

In the U.K., religious causes also receive the largest percentage of individual contributions (14 percent), followed by medical-related areas (13 percent), children (12 percent), and overseas (12 percent). The homeless (4 percent), disabled (3 percent), and elderly (3 percent) receive a much smaller percentage of total contributions — even less than animals, at 7 percent of the total (Charities Aid Foundation, 2015). Higher education and charitable trusts and foundations were the main destinations for million-pound donations in 2015 (Breeze & Newby, 2015). Particular racial or ethnic groups represented only 4 percent of total spending (NCVO, 2016). In a study of European foundation giving, which included the U.K., just over one-third of foundations (37 percent) said at least some of their programmatic activities are specifically intended to benefit women and girls; most of the surveyed foundations, however, devoted less than 10 percent of their expenditures to such support (Shah, McGill,

*Based on interviews and document analysis in the U.S., Eikenberry (2009) found giving circles attract people from diverse backgrounds, including those experienced and new to philanthropy, those from diverse wealth levels and diverse racial and ethnic identities, and, especially, women. However, diversity was more apparent across giving circles than within giving circles.*

& Weisblatt, 2011). Mohan and Breeze (2016) show only a small percentage of U.K. charitable giving is directed to the poor and needy. Most charities are also small, with a median expenditure of just under \$17,000.

What explains these giving trends? In mainstream philanthropy, donors in the U.S. and the U.K. tend to “support beneficiaries with whom they identify as a result of personal connections, common experiences, and shared membership of social networks” (Mohan & Breeze, 2016, p. 80). Thus, wealthy philanthropists — who provide the bulk of philanthropic dollars — tend to give the bulk of their donations to organizations from which they or their family directly benefit, such as a symphony, church, or alma mater (Odendahl, 1990; Ostrower, 1995), as well as to amenity services such as education, culture, and health (Wolpert, 1993).

How do giving circles compare to these trends? Based on interviews and document analysis in the U.S., Eikenberry (2009) found giving circles attract people from diverse backgrounds, including those experienced and new to philanthropy,

those from diverse wealth levels and diverse racial and ethnic identities, and, especially, women. However, diversity was more apparent across giving circles than within giving circles. Giving circles in the U.S. also seem to give a large percentage of their funding to children and youth and to women and girls. The emphasis on funding these groups may be explained by the trend for giving circle members to be younger than typical major donors (and therefore more likely to have children at home) and female. Funding seems to go largely to populations that are similar to the giving circle membership: women's giving circles, for example, tend to give to women and girls. They also give to mostly small, local nonprofit organizations.

The demographic makeup of giving circle members in the U.K. also encompasses a range and mix of backgrounds, but relatively fewer than in the U.S. that target a particular race or gender group for membership. Members also appear to represent a range of income and wealth levels, from high net worth to much less wealthy, including students committed to giving away 1 percent to 5 percent of their income (Eikenberry & Breeze, 2015). In addition, most groups appear to target their giving to smaller organizations, where they perceive that their funds will have a more tangible benefit. Many members are adamant about not supporting "mainstream" and national or animal charities of any size (Eikenberry & Breeze, 2015). Published research has yet to fully explore who benefits from giving circles.

## Methodology

This examination of who benefits from giving circles draws on nearly a decade of data, collected using various methods:

- A 2007 study included creating a database of giving circle funding recipients and grants drawn from secondary data sources, as well as interviews with 17 fundraising professionals working with beneficiaries of giving circles (see Eikenberry, 2008).
- A 2008 study, supplemented with 30 interviews, surveyed members of a sample of 26 giving circles, plus a control group of donors not in giving circles, to understand the impact of giving circles on members' giving, volunteering, and engagement (see Eikenberry & Bearman, 2009).
- A 2013 study of the landscape of giving circles in the U.K. included 39 interviews with people representing or associated with giving circles, as well as data from observations and secondary sources (see Eikenberry & Breeze, 2015).
- Two 2014-2015 studies: one surveyed members of seven giving circles or networks of circles (n = 201) and a control group of donors not in giving circles (n = 158) to understand impact on members; one included 16 interviews with professionals representing charities and social enterprises about their work with giving circles, as well as interviews with 22 members of giving circles (see Eikenberry, 2015a, 2015b).

## Findings

In the U.S., at least \$28.4 million was received by giving circle beneficiaries between 1996 and 2005; grant amounts were available for 52 percent of funding recipients. The average gift size was \$28,781 and ranged from \$90 to \$715,000. In the U.K., at least \$20.65 million was given between 2002 and 2014; grant amounts were available for 65 percent of gifts. They ranged in size from a one-time gift of about \$320 to about \$1.6 million given over several years; the average gift amount was \$12,128.

What areas benefited from these donations? Forty percent of gifts from giving circles in the U.S. went to human services organizations. Education and arts and culture organizations received the next largest amounts; education organizations, however, received more than 55 percent of the total amount while only 26 percent went to human services groups. The lowest number of gifts and amounts went to international and religious organizations. (See Table 1.)

Data from a 2008 survey in the U.S. also shows members of giving circles were significantly more likely to give to organizations that support

**TABLE 1** U.S. Giving Circle Funding Program Areas, 1996–2005

| Area Funded           | Number of Gifts | Percentage of Gifts | Amount of Gifts       | Percentage of Total Amount |
|-----------------------|-----------------|---------------------|-----------------------|----------------------------|
| Arts & Culture        | 176             | 13.6%               | \$2.66 million        | 9.4%                       |
| Education             | 237             | 18.3%               | \$15.69 million       | 55.3%                      |
| Environment & Animals | 50              | 3.9%                | \$562,284             | 2.0%                       |
| Health                | 100             | 7.7%                | \$566,098             | 1.9%                       |
| Human Services        | 518             | 40%                 | \$7.45 million        | 26.2%                      |
| International         | 46              | 3.6%                | \$328,965             | 1.2%                       |
| Public Benefit        | 139             | 10.8%               | \$876,934             | 3.1%                       |
| Religion              | 22              | 1.7%                | \$269,187             | 1.0%                       |
| <b>Total</b>          | <b>1,288</b>    | <b>100%</b>         | <b>\$28.4 million</b> | <b>100%</b>                |

women; ethnic and minority groups; and arts, culture, or ethnic awareness than were the control group respondents. Some of these data may be explained by the fact that giving circle member respondents are also more likely to be women or from communities of color than are the control group respondents. As their length of time in a giving circle increased, however, respondents were more likely to report giving to support women, to ethnic or minority groups, and to other areas even when controlling for group membership.

Giving circle members were also more likely to donate to “other” areas, such as the environment, neighborhood development, advocacy, and international aid. Differences in the probability of making donations to causes such as people in need of basic necessities; sports and recreation; education; and health care/medical research were statistically insignificant. Giving circle members were statistically less likely than members of the control group to give for combined-purpose funds and for religious purposes or spiritual development. (See Table 2.)

**TABLE 2** U.S. Areas of Giving in Last 12 Months: Giving Circle Members Versus Control Group (Percentage of All Respondents)

| Area Funded         | Giving Circle | Control |
|---------------------|---------------|---------|
| Arts & Culture      | 68%           | 57%     |
| Basic Needs         | 86%           | 87%     |
| Combined Funds      | 57%           | 70%     |
| Education           | 76%           | 75%     |
| Ethnic/Minority     | 66%           | 43%     |
| Health Care         | 65%           | 67%     |
| Other               | 73%           | 55%     |
| Religious Purposes  | 62%           | 74%     |
| Sports & Recreation | 34%           | 37%     |
| Women & Girls       | 76%           | 54%     |

**TABLE 3** U.K. Giving Circle Funding Program Areas, 2002–2014

| Area Funded            | Number of Gifts | Percentage of Gifts | Amount of Gifts        | Percentage of Total Amount |
|------------------------|-----------------|---------------------|------------------------|----------------------------|
| Animals                | 2               | 0.15%               | Unknown                | 0%                         |
| Arts & Culture         | 97              | 7.21%               | \$435,326              | 3.3%                       |
| Community Development  | 39              | 2.90%               | \$134,793              | 1.0%                       |
| Overseas Development   | 201             | 14.94%              | \$1.89 million         | 14.5%                      |
| Emergency Relief       | 3               | 0.22%               | \$8,154                | 0.1%                       |
| Education              | 180             | 13.38%              | \$1.03 million         | 7.7%                       |
| Environment            | 260             | 19.33%              | \$3.13 million         | 24%                        |
| Health                 | 132             | 9.81%               | \$2.78 million         | 21.4%                      |
| Human Rights & Justice | 195             | 14.50%              | \$1.69 million         | 13%                        |
| Peace                  | 110             | 8.18%               | \$1.25 million         | 9.6%                       |
| Recreation & Sports    | 10              | 0.74%               | \$54,121               | 0.4%                       |
| Social Welfare         | 116             | 8.62%               | \$610,418              | 4.7%                       |
| <b>Total</b>           | <b>1,345</b>    | <b>100%</b>         | <b>\$13.01 million</b> | <b>100%</b>                |

Gifts in the U.K. database show the largest percentage for which information was available — 19.3 percent — went to the environment, followed by overseas development (14.9 percent), human rights and justice (14.5 percent), and education (13.4 percent). Animal-related causes and emergency relief received the fewest number of gifts (0.1 percent to 0.2 percent). Environmental organizations/projects also received the largest share of funding (24 percent), followed by health (21.4 percent) and human rights and justice (13 percent). Social welfare or human services received 8.6 percent of gifts and 4.7 percent of funding. (See Table 3.)

The 2014-2015 survey in the U.K. shows similarities between the giving circle member and control group respondents for the most popular areas selected. Both groups listed the following as their top areas: international/overseas relief

or development; poverty, homelessness, or provision of basic necessities; and health, hospitals, and medical research. The giving circle member respondents, however, were significantly more likely than the control group to give to women and girls, ethnic and minority groups, and citizenship or community development. The control group was significantly more likely to give for educational purposes. This might be explained by the fact that a large number of the control group members were donors to an educational institution. (See Table 4.)

The interview sample of 17 funding recipients in the U.S. shows that the majority of organizations were relatively small and locally based. About half also tended to be fairly new, having started only in the past five years. Many of these organizations — even the more established among them — seemed to be undergoing transition.

**TABLE 4** U.K. Areas of Giving in Last 12 Months: Giving Circle Members Versus Control Group (Percentage of All Respondents)

| Area Funded                                   | Giving Circle | Control |
|---|---------------|---------|
| Animal Welfare                                | 17.9%         | 20.9%   |
| Arts & Culture/Heritage/Science               | 25.4%         | 27.8%   |
| Citizenship/Community Development             | 24.4%         | 12%     |
| Education                                     | 28.4%         | 50%     |
| Environment                                   | 20.9%         | 23.4%   |
| Ethnic & Minority Groups                      | 14.4%         | 4.4%    |
| Health, Hospitals, & Medical Research         | 43.3%         | 46.8%   |
| International/Overseas Relief or Development  | 57.7%         | 57.6%   |
| Poverty/Homelessness/Provision of Necessities | 54.2%         | 45.6%   |
| Religious Purposes                            | 20.4%         | 22.2%   |
| Sports & Recreation                           | 10%           | 12.7%   |
| Women & Girls                                 | 32.8%         | 15.2%   |
| Other purposes                                | 11.9%         | 13.9%   |

For the newer organizations, this meant moving from a startup to a more established position. Notably, nine out of the 11 executive-level directors interviewed were in their mid-30s to 40s, and most of them had started their organization. This information was not sought, but the level of experience and director's age came up in nearly every one of the interviews.

When measured by annual income, organizations in both the U.K. database and the interview sample ranged in size from very small to very large. Most organizations, however, were small to medium-size: 77 percent had annual incomes of less than \$1.2 million (£1 million), and in the sample seven had an annual income of \$129,000 to \$1.29 million (£100,001 to £999,999) and eight had an annual income of \$1.2 million to \$11.6 million. Organizations ranged in age as well — the average was 16 years for the database organizations and 14 years for the interview sample. Twelve (57 percent) of the organizations in the

interview sample were 10 years old or newer. Due to incomplete data, it is difficult to know how many beneficiaries are new organizations. We can assume that many of the organizations for which we could not find registration information are newer and smaller.

Nonprofit professionals interviewed in the U.S. said they thought what made their organization attractive to their giving circle funders was that they tended to be small and had a proven track record. The executive director of one organization characterized it as an “appealing size for local giving circles. They like that it is big enough that we have proven ourselves but it is small enough that they feel like they can provide tangible support.” Several interviewees said their organization's business orientation and focus on showing results appeal to funders, especially to groups like Social Venture Partners. Many interviewees also said they believed their mission was key — that they were filling a “real need” in the

community and that giving circle members were attracted to this.

More detailed themes emerged from interviews, observations, and documentation about the types of organizations and projects that appealed to giving circles in the U.K. One major theme was that the organization could provide what appeared to be “good value for money” or leverage. This might be because the organization was smaller or not as well funded, so the value of the gift from the giving group was more significant for the organization; that it had low overhead or could otherwise show a relatively high return on investment; or that the organization could leverage additional funding or create significant change with the gift. In the first instance, a U.K. giving circle member noted:

[I]f there’s a project that shows really good leverage for the amount of money they might get, that’s got a really defined project where £4,000 or £5,000 would make a really significant step forward, that’s much better than just adding to their sum total of fundraising.

In the second instance, a beneficiary said:

[I]t’s value for money. I can say to somebody with absolute confidence that if they donate £100, 200 children in sub-Saharan Africa will be protected from the effect of these diseases for 12 months. ... We were able to tick their boxes because the salaries for our staff are pretty much covered by [host] and unrestricted donations — or even restricted donations that have come in from larger bodies like USAID or DFID. And that meant that we were able to offer leverage to smaller donors, whose money we would then use to start up new programs in new countries.

There was also discussion about this at a giving circle event, where members reviewed the strengths and weaknesses of three charities that had pitched to the group. This was taken from observation notes:

The first person to comment said that he thought all three of the charities were deserving. Another person agreed but said [Organization No. 3] was “quite large” and their gift would be a “drop in the bucket” compared to a gift to [Organization

No. 2], with a £28,000 budget — the [Organization 3] brochure alone cost more than the gift they could give. ... An accountant said that if they did a cost-benefit analysis, supporting [Organization No. 3] would be a “no-brainer.” ... Another person reminded the group about [Organization No. 1] — he said you can see where the funding will go and see the benefit directly. There seemed to be a sense that the group would like to see results from their funding more quickly than the longer-term benefit of the work of [Organization No. 3].

Regarding the leveraging of additional funding or creating significant change, a member of one group noted that it funded an organization because

we were looking for a transformational charity — by which I mean a charity that through the skills that it imparts, through doing its charitable work, actually leads to a complete change in the life circumstances of the people that receive their support and training. So it filled that transformational brief, it fulfilled the educational brief. We wanted to focus on women because we felt that that was a more impactful way of making the recycling of money back into the correct areas of society.

The size of the organization or newness of a project also appeared to be important. A member of one giving group noted:

We’re a tiny donor, so there’s no point in us supporting these bigger organizations; it’d just be a drop in the ocean. So, I think we want things that are small scale, where we think that what we are adding is making a difference.

Several beneficiary interviewees also noted that their small scale was appealing. Another member spoke of being “very, very keen on ... starting something, ... not try[ing] to bring something to the next level. We were very keen on trying to start something brand new.”

In addition, the organizations or projects with the most appeal were able to connect members directly with the work or make the work of the organization accessible or easy to understand. This was done by giving members direct experience, by showing clear outcomes or how the

support might be used. One beneficiary organization director noted:

[I]t was very tangible, so we could say to them: “This money is genuinely going into this project” .... [W]henever we take people down to see the project ..., people walk away very enthusiastic about what we do. We help very disadvantaged young people. That’s extremely tangible: the young people who’ve got some amazingly distressing back stories. And I think you can’t fail, as a human being, to be moved by that. So, I hope that that was another reason why they wanted to get involved with us.

Beneficiary organizations also appeared to share similar values or interests with the giving circle and its members. This included not only areas of work or populations served, but extended to shared entrepreneurial philosophies and business-like approaches. One organization leader, when asked what was appealing about the organization, responded:

We want to empower people. And when you’re sort of donating to [our organization], you’re investing in young people. It’s a positive message of empowerment, and I think those values chime with people who are entrepreneurial or commercially minded because it’s about self-help — providing opportunities and support.

Some interviewees and documents noted organizations were appealing because they seemed to be innovative, progressive, and on the cutting edge — that is, not a “typical” charity. The Network for Social Change, for example, describes itself as “championing people and projects with the capacity to break the mold of conventional answers” and funding projects that “are out of the mainstream, are novel or cutting edge” (2007, p. 2). One giving circle member noted an interest in supporting “disruptive” charities:

I like them because I thought they were different, a bit more progressive. I thought it was very different for a charity typically like theirs, [with] an image of being very elitist and quite stuffy, to then try something completely out of their comfort zone. And that, in itself, is very different. ... [W]hen I use the term “disruptive” to [describe] some of our members, perhaps I would use the same [for] charities

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that are a bit disruptive in their field. We’ve met charities [that] are really small, who have no money, but ... are doing such disruptive, amazing things. ... [T]hey don’t even realize it.

Finally, many of the organizations supported were also described as being open, responsive, flexible, and engaging — they had charismatic or engaging leaders that were open to working with the giving group. The leader of one beneficiary organization remarked,

We’ve also been very open and flexible as to what people want to get involved with and to do. So as far as we’re concerned — as long as it doesn’t require huge, huge amounts of time from us where we wouldn’t otherwise be doing it — we’re happy for teams to get as involved as they want or just to do a little bit on the side, so long as there’s clarity about what it is they want to do. ... I think that’s been quite appealing as well.

The three most prevalent reasons to emerge for why some organizations were not supported were that they did not fit with the giving groups’ focus area or criteria, were too big or complex, or appeared to be unresponsive.

## Discussion and Conclusion

The research findings show that giving circles and their members give in diverse areas; giving circles in the U.S., however, are most likely to give to human services, education, and arts and culture

*Supporting and promoting giving circles may be a means to expand and shift giving to traditionally underserved groups in philanthropy, such as women and girls and people of color. It might also help expand and shift funding to smaller organizations that are less well-known in the community. However, hosts and others supporting and promoting giving circles may want to also help members understand the challenges faced by smaller charities and manage expectations about the impact of their funding.*

organizations and least likely to give to international and religious organizations. Giving circle members are also less likely than a control group to give for combined purposes. In addition, giving circle members are more likely than a control group to support women; ethnic and minority groups; and arts, culture, or ethnic awareness.

In the U.K., the largest percentage of gifts went to the environment; overseas development; human rights and justice; and education. Animal-related causes and emergency relief received the fewest number of gifts. Health organizations received relatively fewer gifts, but a relatively larger percentage of total funding. Giving circle members in the U.K. were also significantly more likely than the control group to give to

women and girls, ethnic and minority groups, and citizenship or community development.

Thus some populations, such as women and girls and those from minority racial and ethnic groups, appear to be benefiting more from giving circles than from traditional philanthropy (Foundation Center & Women's Funding Network, 2009; Greenlining Institute, 2006). Some of this may be explained by the demographics of giving circle members. But even when controlling for that, respondents appeared more likely to report giving to organizations that support women and ethnic or minority groups as their length of time in a giving circle increased. Less funding also seems to go to traditionally popular areas such as religion, combined purposes, animals, and emergency response (Charities Aid Foundation, 2015; *Giving USA*, 2016). A large portion of funding from giving circles, however, still goes to education, health, and arts and culture. In addition, in neither the U.S. nor the U.K. were giving circles members more likely than others to give to basic needs or poverty-relief areas, although giving circles in the U.S. especially were giving a large percentage of gifts to human services.

Ultimately, giving circles may do little to shift the norm that most philanthropy does not go to the poor and needy (Matthews, 2013; Mohan & Breeze, 2016). It might also be noted that while the amount of support from giving circles ranges from small to quite large gifts, the overall amounts represented only a small percentage of overall philanthropic giving over the same periods.

Giving circles also tend to fund certain types of organizations: often small and locally based, new groups or startups or that are reorganizing or transitioning, those with a business orientation, and those that are able to engage members or show clear benefits or outcomes — especially a significant impact in relation to their size. U.K. beneficiaries also tend to be described as innovative, progressive or on the cutting edge, and responsive. Charities not selected for funding were often seen as too big, more mainstream, or not responsive. This seems to run counter to traditional philanthropy, which tends to go to

larger, more established organizations (Burke, 2001; McCully, 2008); however, all types of donors, including giving circles, tend to want to know that their giving is having an impact regardless of the type or size of the organization (Mohan & Breeze, 2016).

Thus, larger and more complex organizations, as well as those that are small or run by volunteers and that don't have the capacity or resources to be responsive, engage supporters, or show outcomes, may be less likely to receive support from giving circles. While giving circles may be more open to funding small organizations, there may be a limit to how small. Some giving circles, for example, require that a beneficiary engage supporters directly; a small or new organization or project might lack the capacity for that type of engagement. New organizations or projects often need support for capacity building, which might be seen as a drawback by giving circle members who want to leverage direct impact. Some giving circle members might have unrealistic expectations about what their giving can do when they expect it to be "transformative."

There are several implications here for organized philanthropy. Supporting and promoting giving circles may be a means to expand and shift giving to traditionally underserved groups in philanthropy, such as women and girls and people of color. It might also help expand and shift funding to smaller organizations that are less well-known in the community. However, hosts and others supporting and promoting giving circles may want to also help members understand the challenges faced by smaller charities and manage expectations about the impact of their funding.

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