

creative  
partnerships  
australia

# Collective giving and its role in Australian philanthropy

**A report prepared by Creative Partnerships Australia  
for the Department of Social Services to assist the work  
of the Prime Minister's Community Business Partnership**

July 2017

Research and authors:  
James Boyd and Lee Partridge

**Research and authors:**

James Boyd and Lee Partridge

Creative Partnerships Australia was commissioned by the Commonwealth of Australia, represented by the Department of Social Services, to undertake this research project. The purpose of this report is to assist the work of the Prime Minister's Community Business Partnership.

Any views and recommendations expressed in this report do not necessarily reflect the views of the Commonwealth of Australia, or indicate a commitment to a particular course of action. The Commonwealth of Australia makes no representation or warranty as to the accuracy, reliability, completeness or currency of the information contained in this report.

**Copyright notice—2017**

This document Collective Giving and its role in Australian Philanthropy is licensed under the creative commons attribution 4.0 international license

**Licence URL:**

[creativecommons.org/licenses/by/4.0/legalcode](https://creativecommons.org/licenses/by/4.0/legalcode)

**Please attribute:**

© Commonwealth of Australia  
(Department of Social Services) 2017

**Notice identifying other material or rights in this publication:**

1. Australian Commonwealth Coat of Arms  
—not Licensed under Creative Commons,  
see [itsanhonour.gov.au/coat-arms/index.cfm](https://itsanhonour.gov.au/coat-arms/index.cfm)
2. Certain images and photographs (as marked)  
—not licensed under Creative Commons

# Collective giving and its role in Australian philanthropy

A report prepared by Creative Partnerships Australia  
for the Department of Social Services to assist the work  
of the Prime Minister's Community Business Partnership

July 2017

Research and authors:  
James Boyd and Lee Partridge

# Table of Contents

<b>Executive Summary</b>	<b>4</b>
<b>Introduction</b>	<b>8</b>
<b>International Context</b>	<b>10</b>
USA	11
UK and Ireland	11
Asia	12
<b>Collective giving in Australia</b>	<b>14</b>
<b>Methods</b>	<b>16</b>
<b>Findings</b>	<b>18</b>
<b>What are the characteristics of existing giving groups in Australia</b>	<b>19</b>
<i>Number, size and location</i>	19
<i>Catalysts and enablers</i>	20
Enablers to formation	21
<i>Giving group members (or donors)</i>	21
Who are they?	22
Civic knowledge, attitudes, beliefs and behaviours	23
Motivations to engage in giving groups	24
<i>Forms and structures</i>	24
Governance and planning	24
<i>Priorities</i>	24
The role of host organisations	25
Interlocking relationships	26
<i>Giving group life cycle</i>	26
<i>International comparison</i>	27
<b>How do giving groups differ, compare and relate to other forms of philanthropy in Australia?</b>	<b>28</b>
<i>Aims and mission</i>	28
<i>Operational differences</i>	28
<i>The impact of giving groups</i>	29
Member/donor experiences (learning and behaviour changes)	29
Impact of the giving group on learning	29
Impact of the giving group on philanthropic behaviour	30
The charity experience	30

<b>What are the lessons learnt from establishing giving groups in the Australian context?</b>	<b>32</b>
<i>The challenges faced by giving groups</i>	<b>32</b>
Barriers to set-up	<b>32</b>
Donor recruitment	<b>32</b>
Workload and the volunteer nature of giving groups	<b>33</b>
Fulfilling the promise	<b>33</b>
Scalability and growth	<b>33</b>
Covering costs	<b>33</b>
Host organisation relations	<b>33</b>
Achieving sustainable impact	<b>34</b>
<b>What might be the future of giving groups in the Australian context?</b>	<b>34</b>
<i>Growing philanthropy and capacity building the sector</i>	<b>34</b>
Growing community awareness	<b>35</b>
Increasing diversity and reach	<b>35</b>
Overcoming hurdles	<b>35</b>
<i>Capacity building and giving groups</i>	<b>36</b>
<i>Other future enablers</i>	<b>37</b>
The role of a peak body	<b>37</b>
Role of Government	<b>37</b>
<b>Conclusion</b>	<b>38</b>
<b>References</b>	<b>40</b>
<b>Appendix</b>	<b>42</b>
<b>Appendix A: Case studies of giving groups in the USA and Australia</b>	<b>43</b>
<i>Giving groups in the USA</i>	<b>43</b>
<i>Giving groups in Australia</i>	<b>44</b>
<b>Appendix B: Definitions and clarifications</b>	<b>46</b>
<b>Appendix C: Survey participants: Giving groups, Host organisations and Charities</b>	<b>47</b>
<b>Appendix D: The Funding Network business community partnership program</b>	<b>48</b>
<b>Appendix E: Typical Australian Impact100 Set-up Year 1 Cost</b>	<b>49</b>
<b>Appendix F: Private Ancillary Funds (PAFs) and collective giving groups</b>	<b>50</b>
<b>Appendix G: Potential future resources and mechanisms to facilitate the functioning of collective giving groups in Australia</b>	<b>51</b>

# Executive Summary

This report documents research into the recent emergence of collective giving groups in Australia. It offers an understanding of the key characteristics of these new giving groups and compares them with other forms of philanthropy in Australia. The research identifies how giving groups form, are structured and operate. It also identifies barriers, issues and current resources available to these groups. Discussion reflects on their impact and how they can be further encouraged to grow in Australia.

For the purposes of this research, we refer to 'giving groups' rather than 'giving circles' as this is more commonly used in the international literature. We define a giving group as being donor-initiated rather than driven by a charity, comprised of people who pool their individual donations and collectively decide how and where the funds will be dispersed. Giving groups typically provide an educational and/or community building component to their members and/or donors.

Collective giving groups started to become prominent in Australia in the last six years. While they can take a variety of forms their common *raison d'être* is to 'do public good' and, more generally, to grow philanthropy.

This research drew on the experience of 17 giving groups located in every Australian state and territory except the Northern Territory. To complete the picture, the perspectives of organisations that hosted the groups and charities which received grants from the groups were also included.

All groups were metropolitan-based. Established groups donated to a range of local or state-based charities, as well as national and international causes. Approximately one quarter of the groups surveyed were in the start-up phase of operation and were yet to undertake their first round of grant making.

Common to the United States of America (USA) and United Kingdom (UK) experience of giving groups, three broad structures exist in Australia:

- informal groups with no apparent structure
- hosted groups with a more formal structure established under a community foundation or the similar, and
- independent groups with their own non-profit and charitable status.

Hosted groups were the most common, with nearly two thirds (64%) of groups surveyed in this category. Host organisations are typically a community foundation with activities that complement the giving groups they host. Hosts typically provide groups with tax deductibility and administrative support and, in return, value the opportunity to diversify their donor base.

Groups are almost all operated by volunteers. With minimal administrative expenses, they are typically able to give close to 100% of funds to their selected charities. While this is appealing to the donors it brings challenges, particularly as the groups grow in size.

In addition to grants, some groups also provide capacity building expertise to the charities they support. Most commonly this takes the form of pitch coaching which provides charities with a valuable skill in their future fund seeking. Group members may also provide pro bono support in other areas. Facilitating business-community relationships to capacity build is also beginning to emerge as an important enabler giving groups offer charities.

Participants in giving groups tended to be female with several women-only groups. The most common age range was 41-65 years. Members were strongly convinced of their personal civic responsibility and motivated to become more effective in their giving (83%), achieve greater leverage of their donation (76%) and see the impact of their giving (66%).

Giving groups differ from traditional philanthropy by providing a form of democratised and engaged giving. They bring everybody the opportunity to give in a meaningful and impactful way. Examples in this study included individual donations from \$2 to more than \$1,000. Giving groups bring in new donors at an accessible entry level and can be seen as a stepping stone to lifelong philanthropy. Engagement with the charities the groups support align with a contemporary move by donors away from 'cheque-book philanthropy' to a more hands-on and connected relationship with causes and beneficiaries.

Donors reported engaging with giving groups substantially improved their philanthropic knowledge and changed attitudes and behaviours:

- 74% learnt more about evaluation and assessment
- 67% gained a greater awareness of community needs
- 66% experienced a longer-term commitment to giving, and
- 70% increased or substantially increased the amount they give.

Charity representatives favourably compared the grant-making process of giving groups with other sources of funding, with most valuing the greater level of donor engagement. Further:

- 100% believed receiving a grant from a collective giving group increased or greatly increased their organisation's credibility
- 95% reported the benefits outweigh or were appropriate to the effort required to accept funding from a giving group
- 81% reported being able to leverage greater support as a result of being engaged with a giving group, and
- 78% reported a valuable continuing relationship with the giving groups.

Inexperienced donors generally found negotiating the philanthropic landscape challenging and giving groups experience a number of challenges at set-up and as they grow including:

- recruiting donors
- managing the workload with volunteers
- covering costs, and
- managing relationships with host organisations.

While still in the very early stages of development in Australia the number of giving groups is likely to grow in line with international trends. This research suggests support structures such as a dedicated central point of information and support that could contribute to further growth.

While their financial contribution to the community sector is welcomed, we suggest the real and ongoing impact of giving groups is likely to be two-fold:

1. In their ability to grow philanthropy. This includes cultivating new informed donors and also, as the results of this research indicate, encouraging existing donors to give more.
2. Giving groups are uniquely placed to build the capacity and expertise of the community sector, helping it achieve its social mission in the most effective way.

Finally, continued growth of giving groups in Australia will depend on a number of factors including:

- growing general awareness of the concept of pooling resources and giving together and recognising their impact across Australia, within philanthropic networks and in mainstream media
- increasing the diversity of giving groups across age, cultural diversity, geographic region, work places and causes areas
- overcoming hurdles such as the lack of philanthropic literacy, start-up costs and the increasing pressure experienced by volunteers as successful groups grow.





# Introduction

People have been coming together for centuries to pool their funds to donate to various causes. There have been religious obligations and expectations in many faiths, including Christianity, Judaism and Islam, to give a proportion of one's assets and/or income through the church, temple or mosque. Service clubs such as Rotary, Lions, Apex, Soroptimists and Zonta, that collectively raise funds for charitable causes, have been in Australia for nearly 100 years.

The collective giving that is the focus of this report however has characteristics which distinguish it from other forms. Giving circles are seen as a new and promising form of philanthropy which have only appeared in the Australian community in the last six years and internationally since 2000. Williamson and Scaife (2016) explain within the *Giving Australia 2016 Literature Review*:

*It is worth noting that giving circles, although rooted in other forms of mutual giving throughout time and across the globe, are relatively new phenomena in contemporary philanthropy, with the majority formed in 2000 or later.*

Defining a giving circle has challenged several writers who agree the boundaries are fluid. A representative sample of giving groups would display considerable variation. Described as a 'cross between a book club and an investment group' (Eikenberry, 2007, p.859 cited in Williamson, 2016), they may actually sit anywhere on the spectrum between the two.

*The Giving Australia 2016 Literature Review* (Williamson, 2016 p.5) adopts the criteria of Rutnik and Bearman (2005), namely:

- donors pool their resources in some manner
- donors collectively decide how and where the funds are distributed, and
- there is an educational and/or community building component to the collective.

This research adopts an additional criterion:

- the group is donor-initiated rather than driven by a charity (the term 'donor circle' is used frequently in the United States of America (USA) for groups of donors initiated by a charity).

In this report the term 'giving group' is adopted in place of giving circle. This is because some giving groups are more networks of donors than circles characterised by a fixed and continuing membership. This broader definition allows the research to explore a range of giving group types from informal groups of a few people with no apparent structure such as the Portland Giving Circle, to complex, highly professional facilitators of collective giving such as The Funding Network (TFN). Case studies of well-established giving groups in the USA and emerging groups in Australia are summarised in Appendix A. This report also occasionally uses the term 'collective giving'. This should not be confused with the term 'collective impact', which is commonly used to refer to the specific collaboration of major donors and philanthropic foundations towards shared impact to solve major social challenges. Appendix B clarifies terms and definitions used throughout this report.

*Giving Australia 2016 Literature Review*, drawing on research from the USA (Eikenberry, 2006), provides an overview of giving circle activities, namely:

- donating
- grant-making
- educating donors
- socialising, and
- volunteering.

Giving groups are rarely linked to a solitary charity. However, this research included the experiences of two groups that intentionally focused on one charity each with the express aim of providing a level of sustainable support. Also varying from the standard list of activities were those of one group that operated exclusively online and so did not provide the social element that was present in most other sample groups.

Philanthropic behaviour is influenced by many factors including cultural, social, economic and historical. For this reason, we should use caution in comparing the emergence of giving groups in Australia with the overseas experience. Nevertheless, an overview of collective giving in the international context is valuable.

# International Context

## United States of America

The evolution of giving groups in the United States of America (USA) has been systematically researched by the Forum of Regional Associations of Grantmakers (Rutnik and Bearman, 2005; Bearman, 2007; Bearman, 2008; Eikenberry, Bearman, Han, Brown and Jensen, 2009). The Forum is a peak body of philanthropic associations that seeks to 'facilitate effective philanthropy that strengthens communities and improves lives throughout the United States' (Forum of Regional Associations of Grantmakers, 2016). In addition to the research it has commissioned, it offers a range of resources.

Philanthropy in the USA is headed by individual giving which contributed US\$258.51 billion of the total US\$358.38 billion (72%) in 2014 followed by significantly lower contributions from foundations, bequests and corporations. In 2015, the trend continued with individual giving reaching a record breaking \$264.58 billion (Giving USA, 2016). In this context giving groups have emerged as a significant force. Bearman (2007, p2) explains that giving groups in the USA accelerated in numbers in the early 2000s. Research in 2004 identified 77 circles raising US\$44 million. Only two years later, in 2006, 160 circles responded to their survey, collectively raising \$88 million. The number of participants increased from 5,700 to 11,700.

Giving groups in the USA have been found to be mostly independent or loosely connected to one another and have minimal administrative support (Bearman, 2007; Eikenberry, 2009). Bearman (2007, p5) reports that of the 160 giving groups surveyed in 2006, 68% were hosted, mostly by a community foundation or public foundation, 12% served as their own hosts holding their own charitable status, and 20% had no host organisation or non-profit status. This third group was made up of small groups, with fewer than 25 members (2006, p16). Larger groups varied in size from 150 to 1000 members. The research established that giving groups were flourishing in small towns and large cities and attract a diverse range of donors of all wealth levels (2006, p7). It noted that women-only circles made up a slight majority with 47% made up of both men and women or all male. Thirteen per cent of the groups surveyed were ethnic-based made up of African American, Asian-American and Latino members.

The latest research (Eikenberry and Bearman, 2009, p4) found that, dependent on level of, and length of, engagement and size, giving groups:

- influence members to give more, and more strategically
- resulted in members giving to a wide array of organisations, particularly being more likely to give to women and ethnic and minority groups
- resulted in members highly engaged in the community
- increase members' knowledge about philanthropy, non-profits, and the community, and
- have a mixed influence on members' attitudes about philanthropy, non-profits, and government roles, and political/social abilities and values.

More specifically among giving group members:

- 66% indicated that the total amount they contributed to philanthropy each year had increased (Eikenberry and Bearman, 2009, p24)
- 76% reported that their awareness of community problems had increase (2009, p46)
- 35% contributed additional money to charities they had come across through membership (Bearman, 2007, p6)
- 65% volunteer in addition to donating (2007, p6)
- 40% offer pro bono support (2007, p6)
- 68% reported their knowledge of how a non-profit organisation operates increased (2009, p.45), and
- 43% offer some board-level participation (2007, p7).

Giving groups are estimated to have collectively given more than \$100 million over the course of their existence and engaged more than 12,000 donors (Eikenberry & Bearman, 2009, p.10).

## United Kingdom and Ireland

Giving groups started to emerge in the United Kingdom (UK) and Ireland in the wake of both governments embarking on campaigns to encourage greater levels of philanthropy (The Philanthropy Review, 2011; Philanthropy Ireland, 2012). The work of Eikenberry and colleagues in 2015 was the first comprehensive examination of giving groups in this part of the world (Eikenberry, 2015; Eikenberry & Breeze, 2015; Eikenberry, Brown & Lukins, 2015). Eikenberry and Breeze (2015) noted 80 giving groups in the UK and Ireland. While sharing the common characteristics of supporting multiple organisations or projects and being made up of individuals who donate time and/or money and who have a say in which organisations are supported, the groups varied in structure. In contrast to the USA experience, over half the groups were connected to a centrally organised charitable organisation with staff specifically allocated to assist in administering the groups.

Eikenberry and Breeze (2015) identified six types of giving group structures:

- mentored
- live crowdfunding
- hosted
- independent
- broker, and
- hybrid.

The most common structure was the mentored groups, which all operated in London and focused on growing philanthropy by connecting a giving group of young professionals with a senior philanthropist. These groups have small memberships and are connected to two main philanthropic organisations. These groups shared some similarity with young leaders' groups in the USA, but as noted by the authors 'their combined focus on mentoring, match funding and education seem unique to the UK' (p7).

Live crowdfunding groups and hosted groups were the next most common structure. The Funding Network (TFN) is the most prominent of the live crowdfunding groups (see Appendix A for description of TFN in Australia). TFN headquarters pays staff to help administer and support regional groups across the UK and Ireland. Again, this type of group was not seen in the USA.

Hosted groups, run by a host organisation to assist them to grow or encourage giving to a specific cause area, were equally represented. The hosts, usually charities or community foundations, could also suggest specific organisations or projects for funding.

Independent groups which are very common in the USA were much less so in the UK and Ireland. The membership tended to be small by USA standards with small donations. Some groups opted to forgo tax deductibility to keep the operations as simple as possible. Due diligence was often less formal and the choice of grant recipients included those not normally supported by other forms of philanthropy.

The broker groups, not common in the USA either, did not pool their resources but did commit to supporting causes by brokering connections between donors and charities, focusing on promoting more effective and easier giving processes. The final group was seen as a hybrid of all the previously identified groups, exemplifying the flexible nature giving groups can adopt.

Beyond identifying types of groups, the UK and Ireland study found the predominant aim of giving groups was to develop philanthropy. Other aims included effecting social change (except for the broker group), networking, socialising and creating a community, and supporting host organisations. The key activities undertaken by giving groups were found to be giving money and/or time, making charitable decisions and conducting due diligence, and educating members and organising events (Eikenberry and Breeze, 2015).

The demographic makeup of the giving groups differed substantially from that observed in the USA. In the UK and Ireland only 19% of the groups were found to be women-only and few targeted a particular race or identity group for membership and funding. Within the groups the memberships generally lacked diversity, a product perhaps of the word-of-mouth method of recruiting members employed by many giving groups.

The reasons cited for joining a giving group were many and varied. For some the ease of giving and anonymity appealed, but for a great many more the key drivers were:

- the ability to connect with like-minded people
- learning about the funding area and how to give
- deep engagement with an organisation or issue, and
- being able to see the impact of their giving.

UK and Ireland research strongly reflected USA research about the impact on members with 77% increasing their giving following participation (Eikenberry, 2015, p.3). Broadly, members:

- increased the number of organisations they support (66%)
- were more likely to use strategic giving approaches (56%)
- increased the amount of time they volunteer (46%)
- learnt about the charitable sector and how organisations operate (78%), and
- developed a long-term commitment to giving (77%).

## Asia

Giving groups in Asia, despite being relatively new, are a growing phenomenon which appears to be outstripping growth in continental Europe (John, 2014a). An overview of the state of giving groups in Asia is provided by Rob John (2014b). He caveats his analysis:

*Any discussion of philanthropy in Asia remains largely anecdotal, reflecting the difficulties of collecting reliable quantitative data in a region so diverse and dispersed where most organised philanthropy practice is still relatively new. A significant proportion of giving in Asia is informal and private, even for large donations, and tax and regulatory regimes vary widely making it difficult to use tax deductibility data as a useful proxy for overall giving (John, 2014b).*

The cultural variants that impact giving behaviour are also noted including the religious influences of Islam, Hinduism, Buddhism and Christianity. Further, the role of the family in developing philanthropy is seen as a typically Asian trait (Mahmood and Santos, 2011).

In his study in 2014, John identified 30 established or starting up groups which he reasoned were likely the 'tip of the iceberg'. These fell into two categories:

- imported from and associated with existing initiatives in the West, and
- originating in Asia.

Of the imported models, Social Ventures Partners, Impact 100 and the Awesome Foundation have come from the USA and TFN from the UK. Further John (2014b) noted the Washington Women's Foundation was using exchange visits to China to promote giving with the likely result that giving circle initiatives would be established. An important consideration for the imported models is the accommodation of local cultural and regulatory environments, appreciating that the social practice of giving is contextually dependent. John will further his research into giving groups during 2017.



# Collective giving in Australia



To date, little formal research has been conducted into giving groups in Australia. This report contributes to that early exploration and represents a baseline, scoping study of the phenomenon. It is presented with several limitations and provisos given the relative newness of this form of philanthropy.

Giving groups, as defined in this study, started to emerge in Australia around 2011. However as noted in other studies on this topic, it is impossible to determine absolutely the number and nature of these groups. Rutnik and Bearman (2005) estimated that they were only able to locate one out of every two or three groups in the USA. John (2014) admitted to a tip of the iceberg assessment of giving groups in Asia. This is due to the informal nature of many groups which means that they go undetected.

What can be explored is the general giving environment in Australia which can be extrapolated to the collective giving group conditions. Trends in giving that are likely to impact giving groups include the recovery that has been noticed post-global financial crisis and a continuing increase in establishment of Private Ancillary Funds (PAFs) (McLeod, 2015).

The *Giving Australia 2016 Literature Review* also identified the decrease in the traditional fundraising approaches such as by telephone, on the street, by mail, through television and door knock appeals. The main reason people provided for not donating was concern and a lack of information about how the money would be spent. Finally, the difference between planned and spontaneous giving indicated a much greater level of giving from those who planned their donations.

The emergence of giving groups in Australia seem to be in line with, and in response to, these trends. As noted in *Australian giving trends—signs of life*:

*When we consider how the emergence of PAFs has changed the giving landscape and potentially the impact investing landscape since 2001, any further additions to the sector's support offerings in the next year or two can only enhance further depth and breadth in the way the charitable sector operates and funds its impact (McLeod, 2015).*

# Methods

This research aims to achieve a better understanding of giving groups in the Australian context. The research questions underpinning the work are:

1. What are the characteristics of existing giving groups in Australia?
2. How do giving groups differ, compare and relate to other forms of philanthropy in Australia?
3. What are the lessons learnt from establishing giving groups in the Australian context?
4. What might be the future of giving groups in the Australian context?

A mixed method approach to data collection was employed, utilising online surveys and individual interviews to gather both quantitative and qualitative data. The surveys were adapted from the survey instruments used in comparable studies in the USA (Rutnik & Bearman, 2005; Bearman, 2007; Eikenberry, Bearman, Han, Brown & Jensen, 2009; Eikenberry, Brown & Lukins, 2015) and were contextualised for Australian respondents. Four main stakeholder groups were identified and representatives of each were surveyed and interviewed. The stakeholders were:

1. the collective giving groups, represented by their founders
2. the members of the collective giving groups
3. the host organisations that supported the giving groups
4. the organisations that received funding grants from the giving groups.

Thirty four collective giving groups and eight host organisations were invited to participate in the research. These groups are known to the researchers and have a public profile. Giving groups and host organisations also helped distribute invitations to their members and the beneficiaries of the groups' grant giving. Further qualitative interviews were conducted with other key stakeholders. Table 1 below summarises data collection.

**Table 1: Sources of data collected**

Stakeholders	Completed surveys	Interviews
Collective giving groups (founders)	17	5
Hosts organisation representatives	n/a	5
Members of giving groups	237	4
Beneficiary charities of giving groups	24	5
Other key stakeholders		3

The interviews with other key stakeholders listed in Table 1 were:

- Ruth Jones, former CEO of Social Ventures Partners in the USA
- Adam Levin, partner at Jackson Macdonald and former member of the advisory panel to the Federal Government Board of Taxation with specialist expertise in philanthropy, and
- Caitriona Fay, National Manager, Philanthropy and Non-Profit Services, Perpetual Limited and founding member of giving groups The Melbourne Women's Fund and The Channel.

See Appendix C for a list of the organisations that participated in the research.

# Findings

## What are the characteristics of existing giving groups in Australia

While giving groups exist in a variety of forms it is possible to identify some key (mostly shared) characteristics. These characteristics can be responsible both for the groups' positive impact, as well as present challenges and limitations to their effectiveness.

All groups exist to 'do public good'. Common to their mission is the desire to grow philanthropy with a particular focus on grass roots organisations.

*[Our mission] is to reach a place where people are giving money regularly, making a difference, getting involved hands on, and so the community is all being supported in ways that they need...from our donors point of view that would be educating them on philanthropy, and maybe finding a different word for it.*  
**— Giving group founder**

*We want to bring women together to enable them to experience philanthropy whether it is for the first time or for those who are more practised at philanthropy and certainly to experience philanthropy through the collective giving model.*  
**— Giving group founder**

*It encourages kids to think differently because kids can come along to this. The relationship that they can have, you know we facilitate a direct relationship with the charities if they want them. So that can encourage more giving. It's just that it's that whole ripple effect at the end of the day.*  
**— Giving group founder**

## Number, size and location

Collective giving groups started to emerge in Australia in the last 6 years or so. Figure 1 shows the years the 17 groups surveyed in this study were established.

Although this is a small sample size, the increasing rate of establishment since 2011 likely reflects the growing awareness of this form of collective giving and could be assumed to be representative of a national trend.

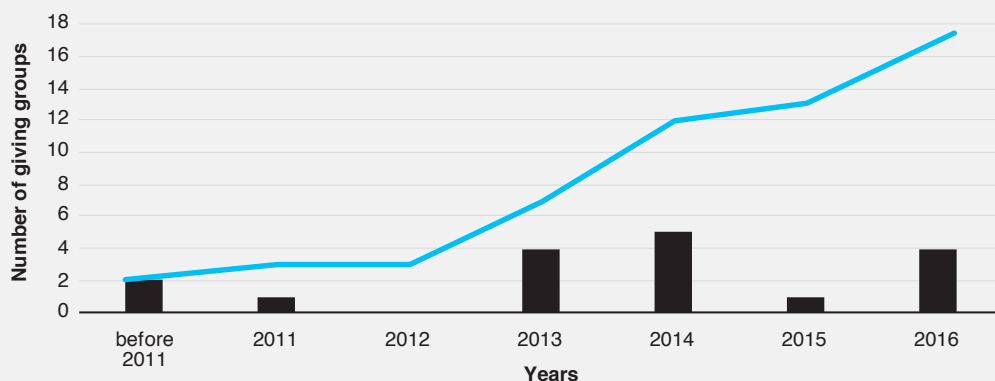


Figure 1: Years in which giving groups were established and growth in groups since 2011

The giving groups in this study were distributed across every state and territory of Australia except the Northern Territory (see Table 2). No groups were identified in any remote areas. This is likely a feature of the early stage of development of giving groups in Australia or may be due to other factors. Identifying such factors are beyond the scope of this report. The groups that did participate in the study used a range of descriptors to identify themselves, as outlined in Table 2. Within the majority of groups with ongoing members, membership size varied from 10 to several hundred.

Table 2: Descriptors and locations of giving groups in this study

Group descriptors	Number	Per cent
Large group giving circle, with more than constant 25 members, that give grants annually	9	52.9
Open network with membership fluctuating from event to event	2	11.8
Small group giving circle, with fewer than 25 constant members, that give grants annually	2	11.8
Small group giving circle, with fewer than 25 constant members, that give grants monthly	1	5.9
Event based giving group with constant membership. Giving occurs through events	1	5.9
No members. Funds raised through events that are open to the public	1	5.9
Startup group – no members as yet	1	5.9

Location	Number	Per cent
Western Australia	5	29.4
Victoria	4	23.6
New South Wales	3	17.6
South Australia	2	11.8
Queensland	1	5.9
Tasmania	1	5.9
Australian Capital Territory	1	5.9

To date, excluding TFN, the giving groups surveyed reported having raised \$3,405,250 and having made 157 grants to the total value of \$2,883,500. Of these, eleven were \$100,000 grants and seven were valued between \$50,000-\$100,000. The remaining grants were less than \$50,000, with some as low as \$2,000. In 2015, surveyed groups collectively granted \$1,022,500 and planned to grant a further \$1,360,000 in 2016.

As time goes by, a multiplier effect is seen. For example, by 2018 the collective value of grants made by the Impact100 groups is likely to exceed \$1 million per annum.

TFN operates differently from other giving groups conducting multiple events each year where different groups of donors in various locations around the country can be involved in grant-making. By late 2016, they had raised \$4,000,000 and made 120 grants to a total value of \$3,700,000. The amounts granted ranged from \$10,000-\$80,000.

The largest proportion of grants giving by all groups was to local or state-based charities (50%). A third of the groups reported that they grant nationally and one quarter granted to international charities. A few grants were specific to a single project and hence location.

The funding priorities and grants so far allocated were in the following areas:

- community improvement and capacity building (funded by 72% of giving groups)
- education (funded by 72% of giving groups)
- mental health and crisis intervention (funded by 72% of giving groups)
- children and youth (funded by 67% of giving groups)
- indigenous issues (funded by 61% of giving groups) , and
- arts, culture and humanities (funded by 50% of giving groups).

The groups' founders described their phase of operation from 'start-up' through to 'experienced', as outlined in Table 3. One small group, which existed to fund a single project and that had been operating for more than five years, had disbanded. It is likely that this is a feature the 'group of friends' nature of the group and not representative of the life span of most of the larger and more structured groups.

**Table 3: Phase of operation as described by giving group founders**

Phase of operation	Number
Start up (not yet begun first round of grant making)	3
Newly operational (first round of grant making)	1
Established (been through more than one round of grant making) <sup>1</sup>	5
Experienced (been through at least three rounds of grant making)	6
Other – multiple rounds (31) events based grant making	1
Disbanded	1
Total surveyed	17

## Catalysts and enablers

The giving group founders rated catalysts that impacted the formation of their group. The three most commonly cited were:

- someone had the idea and made it happen, which was rated as very significant or most significant (100%)
- interest in encouraging new donors (88.89%), and
- desire to leverage resources and give more money (83.89%).

Several respondents commented on the significance of hearing from a champion and person experienced and knowledgeable about giving circles as being influential in the establishment of their own group.

The least influential, rated as not significant by more than 80% of respondents, were:

- an existing group (such as a book group) that wanted to add a new dimension
- saw a newspaper, magazine or television story, and
- suggestion from a community foundation or other community organisation.

Rather than seeing these as ineffective catalysts it is more likely that these potential influences were absent and may represent untapped influencers.

<sup>1</sup> Grant-making was carried out once a year by most groups

## Enablers to formation

The giving circle founders identified a number of enablers that assisted them in establishing their groups. Drawing on existing knowledge and expertise in the sector was mentioned by a number of founders. This extended to networking with other giving groups, and professionals that offered support. Founders described this enabling factor as:

*Support and inspiration from Colleen Willoughby [Founder of Washington Women's Foundation], our inaugural Advisory Board was comprised of philanthropic sector leading women from top foundations, and their advice, support and bringing in new members was key to our success.*

— **Giving group founder**

*Advice from existing circles, support from networks within the philanthropic community, interest from our target membership audience, pro bono support from [a legal firm] and an accountant.*

— **Giving group founder**

*Philanthropy Australia, MH Carnegie and Co helped us with resources and guidance to create our first event.*

— **Giving group founder**

*Impact100 SA and Impact100 WA have been unstinting in their support. Their help has been pivotal in giving us the confidence to go forward*

— **Giving group founder**

The importance of a public and prominent launch with the support of well-known champions was also mentioned.

*Our launch event was surprisingly successful and included an unexpected donation on the night from [a prominent woman philanthropist], who became our first life member.*

— **Giving group founder**

Key people and partnerships was a repeated theme among the enabling factors.

*JB Were (venue hosts), The Post Project (film-makers), Our Community (comms), [sic] Pro Bono Australia (comms), [sic] family and friends who were first members.*

— **Giving group founder**

*Key women leaders in WA and a dedicated volunteer group helped establish the giving circle.*

— **Giving group founder**

*Australian Communities Foundation auspiced pilot events, created Leadership Councils in Sydney, Melbourne and Perth to advocate the [funding] model, funding partners active engagement including hosting events, an active national board, active in-kind supporters including [the provision of] office space, audit services and legal costs.*

— **Giving group founder**

Other key people included the 'leadership' of the group and 'members' who displayed engagement and loyalty. Rigour of the processes that guided the functions of the group was also identified as an enabling factor. Comments included:

*...the quality and influence of our board, strong leadership, effective, efficient and rigorous grant-making processes, inspiring loyalty in our members.*

— **Giving group founder**

Trust was mentioned by several founders as being crucial including trust between the donors and the giving group as well as between the donors and the recipients of funds. Enjoyment was another key aspect mentioned. One founder put it simply by saying 'People are enjoying the process'.

Another said:

*Committed volunteers and members, challenging the traditional narrative of philanthropy, rigorous grant-making process that members can trust and be involved in, strong governance.*

— **Giving group founder**

## Giving group members (or donors)

In this study those donating funds may be referred to as either 'members' or 'donors' and for the purposes of the report these terms can be considered interchangeable. Members are defined as those individuals who come together to pool resources and collectively decide where their funds, and to a lesser degree volunteer time and pro bono contributions, will be distributed. In most cases, there is at least a one year commitment made through an annual contribution with encouragement to ongoing involvement within the group as members. In the case of TFN there is no ongoing commitment beyond each individual crowdfunding event and consequently they do not have members but donors.

## Who are they?

Overall membership is predominantly female. Some groups were established for women (Melbourne Women’s Fund, 100 Women, Women & Change and ACT of Women Giving). The Impact100 groups tended to have slightly more female than male members with the exception of Impact100 SA with three times more men than women. The only other group reporting significantly more men than women members was Meridian Global Foundation with a ratio of 3:1.

Members ranged in age predominantly from 30–80 years as indicated in Figure 2. The majority of members in most groups were in the 41-65 years of age range. Approximately one third of the groups reported a younger cohort of members with most members in the 26-41 years range.

The members of groups tended to have some common identity or connection (e.g. young professionals; women professionals; higher socioeconomic status, retired; attended same school or university; lived in the same location) or belief (wanted to support a particular group in the community or wanted to support grass roots charities in a simplified way).

A total of 183 individuals responded to the members’ survey. The majority (96%) lived in a capital city with only four per cent living regionally. Nearly two thirds of the respondents (61%) were female and 38% were male. One respondent identified as ‘other’.

The respondents were typically highly educated with more than half (54%) holding postgraduate qualifications. Sixty four per cent of respondents had a pre-tax household income of more than \$125,000. The breakdown of household incomes is shown in Figure 3. Eighty per cent of respondents described themselves as ‘living comfortably on present income’, and 17 per cent as ‘getting by on present income’. The remaining three per cent were ‘finding it difficult (or very difficult) on their present income’.

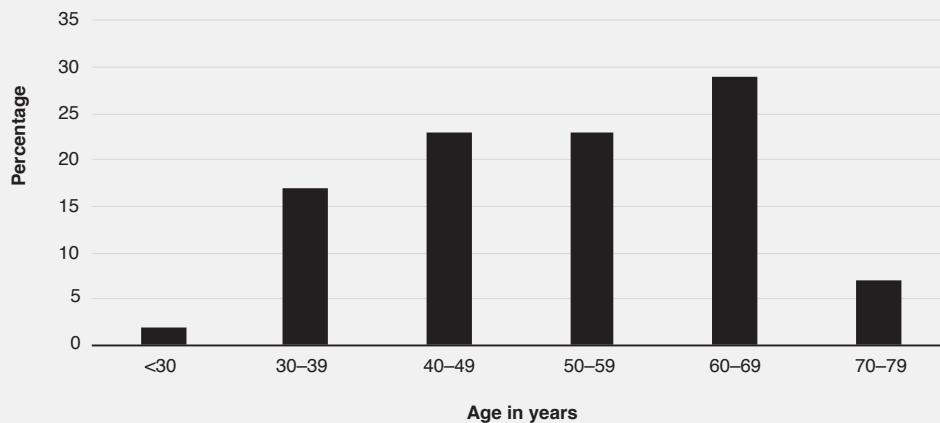


Figure 2: Age distribution of giving group members

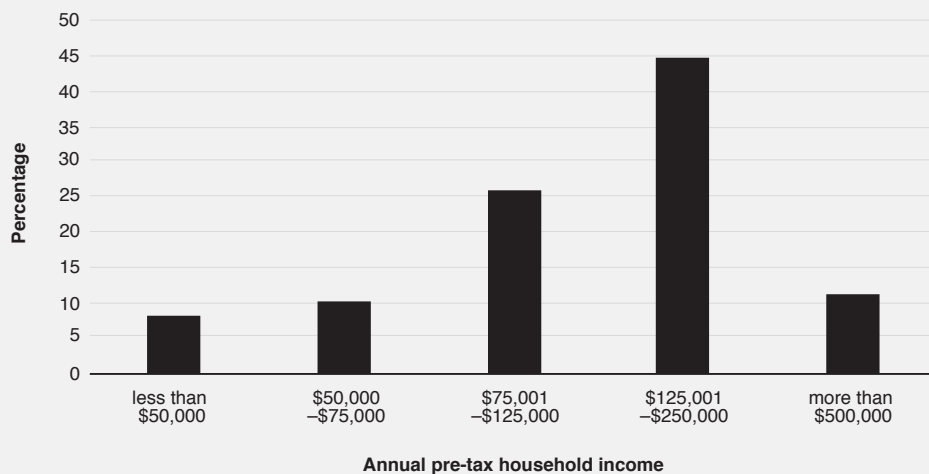


Figure 3: Pre-tax household income distribution



## Civic knowledge, attitudes, beliefs and behaviours

The giving group members were asked the degree to which they agreed with a series of statements related to civic knowledge, attitude and beliefs. The results are summarised in Table 4 with the percentage of respondents that agreed or strongly agreed with each statement indicated.

**Table 4: Percentage agreement related to civic knowledge and attitudes**

Statement	Per cent agreed
Giving money and volunteering can have a positive impact on the health of the community	99
I can make my community a better place to live	92
I have a long-term commitment to giving and volunteering	92
I have a responsibility to help others in need	91
Companies have a duty to commit to corporate social responsibility	87
Government should ensure that everyone has a decent standard of living	81
I understand the issues and challenges facing charitable organisations	81
Government should do something to reduce income differences between rich and poor	66
I have the ability to influence public policy	48
Usually, if I see a problem or need in the community, I can find out whom to contact to help find a solution	47

The survey presented respondents with a series of eight civic activities and asked whether they had participated in any of them. Only two per cent of participants indicated that they had not participated in any activities. Table 5 shows the degree of engagement in civic activities in the past 12 months as indicated by participants. Fifty per cent of the members had engaged in four to five civic activities.

**Table 5: Percentage of members engaging in civic activities of the previous 12 months**

Number of activities	Percentage of respondents engaged
8	3
7	7
6	13
5	22
4	28
3	13
2	8
1	4
none	2

The activities most engaged in are listed in Table 6.

**Table 6: Civic activities engaged in by members of giving groups**

Activity	Percentage participation
Helped raise money for a charitable cause	92
Bought or not bought something because of the social or political values of the company that produces it	74
Belonged to a voluntary group or association, either locally or nationally	71
Worked together with someone or a group to discuss or address a problem in the community	69
Signed a petition about a political or social issue	60
Contacted or visited a public or elected official to express your opinion	34
Contacted a newspaper or other media to express your opinion about a political or social issue	17
Took part in a protest, march or demonstration	16

## Motivations to engage in giving groups

The motivations listed by members and donors as most important for participating in a giving group were:

- being more effective in my giving (rated as very important or extremely important by 83%)
- leverage to make my giving go further (76%)
- seeing more closely the impact of my giving (66%)
- being more engaged in the community (58%), and
- being around like-minded people (57%).

The appeal of a new approach to giving was also listed as a motivation with comments such as ‘provide funding with less strings attached and red tape, invest in things that often don’t get funding, empower and enable different ideas, challenged the way money is usually viewed and used’ and ‘explore new ways to create an impact in my community – it’s an experiment’. The sense of agency experienced by donors was also demonstrated with comments such as ‘feel like I’m making a difference’ and ‘makes powerful donating possible for me’.

Respondents had been members of the giving groups for varying periods as indicated in Table 7.

**Table 7: Periods of association with giving groups as reported by members and donors**

Period of association	Percentage of members
Less than one year	22
Between one and two years	31
Between two to three years	23
Between three to four years	10
More than four years	14

## Forms and structures

Of the giving groups surveyed and interviewed, all but TFN were run by volunteers. This is not the case with the large giving groups overseas and may reflect the early phase of development of giving groups in Australia. With minimal running costs, the groups focus on the distribution to charities of 100% of the funds raised. This is seen by donors as an appealing aspect and a compelling reason to become involved in a giving group. One donor discussed being impressed with the group because of the funding ‘going to second tier charities...the money went straight to the charities themselves, not through a whole system of telephone calls and taking [a percentage] of the money’.

## Governance and planning

Giving groups reported a range of governance structures with the most common being a ‘Board with committees or working groups’ (63%). Small groups tended to share responsibilities equally among members. Since beginning operation, 36% of the longer established groups reported ‘leadership transitions in key volunteer roles’, 31% had ‘changed or added committees’ and 10% had ‘added paid staff, partnered with a host organisation or moved from one host to another’.

The level of strategic planning varied considerably with 40% of respondents reporting they did not engage in any strategic planning. As one respondent put it ‘we are starting to think about this. Previously it has all been in my head so to speak!’ Those that did, varied from low level planning described as ‘only at the beginning about how we would operate’, through to ‘discussion at the start of each year about what we will do’ and ‘committee and key supporters involved in a one off strategic planning meeting’. At the other extreme, a sophisticated level of planning was described such as ‘Workshops and intensive operational planning with key stakeholders. Strategic plan funded by the Myer Foundation’. Another group described their strategic planning process:

*At the end of year one, one of our Advisor Board members who is an expert in branding/marketing, led us through a facilitated meeting to identify the important elements to build our membership, identified our strengths and prioritised the marketing and communications elements to focus on. Very valuable session and has helped us grow.*  
**– Giving group founder**

### Priorities

The founders were asked to rate the priorities for their group. The responses are shown in Table 8.

**Table 8: Priorities as indicated by giving group founders**

Priorities	Percentage of founders who rated priority as very important or the highest priority
Recruiting new circle members	82
Marketing giving circle more broadly	65
Requiring grantees to demonstrate their impact	64
Measuring impact of the circle on grantees	59
Measuring impact of the circle on donors	49

The responses reflect the aim on growing philanthropy. For these giving groups, most of which are in the early stage of development, the major focus is on building the group.

## The role of host organisations

Giving groups can be very informal, with no legal structure; be a sub-fund of a host organisation, such as community foundations and an organisation such as Perpetual Trustees; or apply for their own charitable status, usually in the form of a Public Ancillary Fund (PuAF).

For the purposes of this research, host organisations are defined as organisations that accept, hold and distribute funds for a giving group. In reality, most offer more than this including providing tax deductibility, support and grant making advice.

Seventy eight per cent of the giving groups responding to the survey did not have the ability themselves to offer tax deductibility to their donors. Sixty four per cent of these were partnered with a host organisation who were able to provide this service. Those not associated with a host organisation tended to be the small friends-based organisations focused on a single cause. Members of these groups usually donate individually to the selected charity and each receives a tax receipt directly from the charity.

The most common service provided by the host organisation to the giving groups was tax deductible status (80%) followed by administrative support (63%). Fewer groups (27%) received advice about grant-making from their host organisations.

Giving groups paid their host organisations up to 10% of funds raised to provide their services, with 13% or 6-8% being the most commonly charged amounts. The organisation that charged 10% did so 'as a contribution to build the sustainability of the community foundation as a framework for growing collective giving'. Hosts also reported supporting groups with a range of other services, most frequently providing publicity and promotion, connecting to donors, holding funds, and collecting and holding donor details.

Seven host organisations, as listed in Appendix C, participated in the survey. The majority were nonprofit community foundations. The oldest had been established for 93 years and the youngest for less than a year. They varied in the number of giving groups they hosted and the type of support they offered. Of the seven host organisations surveyed, four had established giving groups of their own, two were planning to do so and one had not considered it. For most host organisations, particularly the older established ones, their work with giving groups was just one, often small, part of their activities. All the host organisations identified as not-for-profit.

For one host, My Giving Circle, supporting giving groups was their entire fee for service function. My Giving Circle is a social enterprise. It does not hold tax deductible status and so does not provide tax receipts directly to donors. My Giving Circle operates in a similar way to a traditional online crowdfunding platform but instead of serving a fundraiser, My Giving Circle serves donors looking to have a collective impact. Donors can receive a tax deduction if the organisation they select to support holds Deductible Gift Recipient (DGR) status.

Hosts reported having partnerships with between one and 35 giving groups. There may have been some misinterpretation of what constituted a giving group for the purposes of this research. Some of the groups identified by host organisations may not have met the definition used in this report. Six of the seven organisations (86%) agreed that their 'organisation's purpose is to offer a community donor development tool', while fewer (four out of seven, 57%) believed their organisation's purpose is to 'offer a grant making mechanism'.

Five of the seven organisations had formal agreements with the giving groups they hosted. One of the hosts that did not was the Fremantle Foundation which hosts Impact100 Fremantle, an initiative of the Foundation itself.

The representatives of the hosting organisations believed the main benefits of collective giving groups to be as:

- a pathway to philanthropy
- an accessible entry point
- increased awareness of local issues, and
- learning more about need in your own community.

All hosts agreed that there were a number of benefits resulting from their relationship with giving groups. Uppermost among these was greater community connection, followed by a more diverse donor base and greater community impact. Also important was the ability to bring new donors to the host organisation, leading to more grant-making.

## Interlocking relationships

Beyond the relationship with host organisations, key to the effective functioning of the giving groups is the role of other partnerships, a characteristic noted in the interviews with all stakeholders. Indeed, the giving groups can and do act as a link between stakeholders. A typical set of relationships is illustrated in Figure 4. Partnerships include those between the giving groups and the host organisations, business sponsors, the charities and the donors, as well as between giving groups.

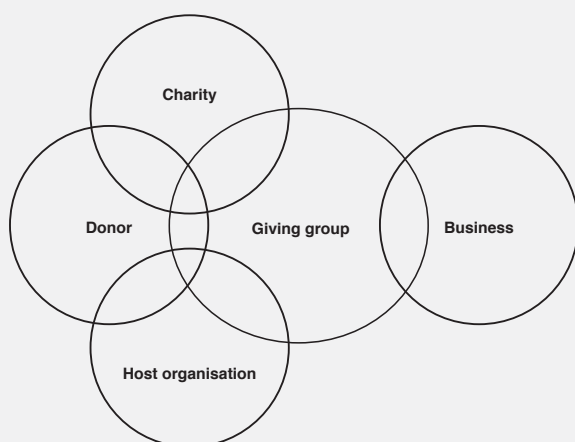
Some of the new partnerships are still being clarified and refined. One host organisation described how they had had to modify their practices to accommodate giving groups.

*One of the things that we've had to think through is the minimum fund size to establish a fund with us. Its \$20,000 and that was really developed for individual donors in mind. We've had to really re-think that with the giving circles and the more formal giving groups because they often don't start with anything and they have to build up.*

— **Community foundation representative**

The donor is potentially the most connected among the stakeholders with relationships being developed not only with the giving group and the charities but also with the host organisation. Many of the hosts listed connections to new donors as a major benefit of their partnership with giving groups.

Businesses can fulfil a vital role of sponsoring the activities of the giving groups, relieving giving groups the cost. This can take the form of providing venues for events, office space or underwriting some activities. As such, the partnership is typically with the giving group rather than any of the other stakeholders as is shown in Figure 4. There are some reports of businesses using giving groups to fulfil their Corporate Social Responsibility (CSR) by becoming involved with matched donations thereby also facilitating a relationship with the charities.



**Figure 4: Relationships between partners in giving group activities**

*So the Impact model doesn't just encourage the volunteering [with their members] but I think companies in Australia are wanting to improve their corporate social responsibility but they don't know how to go about it...Nobody's delivering that opportunity. And I think [we] are doing just that. We select the four big accounting firms in Australia and we allocate one of each of the four finalists to those firms, and they help with their presentation and so forth. So they have developed relationships, so we've opened the door between a small charity and the professional services area. Some of those relationships continue on after the event and that is certainly what's happened.*

— **Founder, Impact100 group**

Here giving groups are tied into the emerging, underutilised workplace movement. And the relationship between the stakeholders becomes better represented in Figure 5 where the business move from connecting solely with the giving groups to connecting also with the charities.

## Giving group life cycle

Nearly one quarter of the giving group respondents to the survey identified their groups as being in the start-up phase.

Of those that were more established the greatest change noted since start-up was the:

- addition of more members (42%),
- increased amount of money given each year (32%)
- increased number of grants giving each year (15%)
- beginning to solicit/receive outside funding (15%), and
- changing funding emphasis and priorities (15%).

Only one of the 17 groups surveyed had disbanded, suggesting a reasonable level of sustainability across the groups. It is too early to say how long Australian groups will operate. International evidence suggests giving groups possess strong sustainability over time. One group in the USA, the Spinsters of San Francisco, has been in operation for over 80 years.



**Figure 5: Emerging relationships between partners in giving group activities**

## International comparison

Overwhelmingly, international research provides evidence that members of giving groups give and volunteer more; become more strategic about their giving; learn more about the charitable sector; and are more closely engaged with the communities with which they are connected (Eikenberry, 2009). Based on the finding described above, these trends are also evident in Australia.

Dozens of different types and sizes of giving groups exist around the world that fit this report's criteria. In the US, giving groups have clearly sprung from the country's powerful philanthropic culture. In the UK and Ireland, growth in giving groups has been more recent and encouraged by a network or federated system (Eikenberry, 2015). In Australia, the take up has been rapid but has grown more organically with virtually no support at all.

In all countries three broad structures exist:

- a very 'informal group' with no apparent structure, usually based around individual members receiving independent tax receipts
- 'hosted groups' with a more formal structure established under a community foundation or the like, and
- 'independent groups' with their own non-profit and charitable status.

Facilitation groups, like TFN, sit most comfortably within the independent groups.

The demographic characteristics of giving circle members depend on circumstances, mission and location. However, broadly speaking, UK and Ireland and USA giving group memberships reflect a wider range across age and income than in Australia.

The motivations of members to participate in giving groups seem to be similar in the UK and Ireland and Australia. These are summarised in Table 9.

**Table 9: Motivations of members to participate in giving groups**

	Australia Per cent	UK and Ireland Per cent*
Seeking to be more effective in their giving	83	70
Connecting to new charities/engaging more closely with community	58	56
Gaining more information on how money will be spent and its impact	66	52
Having greater impact collectively	76	51
Being around like-minded people	57	58

\*Source: Eikenberry (2015).

In the USA evidence has been more anecdotal but is similar. As noted by Bearman (2007),

*...I think there are people who want to do a little more with their time and money than just go to a party. When you can find those individuals, they will step up and do more. It's a great way for people to come together and be part of a community of givers.*  
Bearman, 2007, p.5

*...Not only will we 'get in the habit' of being donors (and our donations will only grow), but we also want to learn about issues and volunteer. Those three important pieces have guided our giving circle and will make our philanthropy more strategic. It's about more than just the money!*  
Bearman, 2007, p.8

## How do giving groups differ, compare and relate to other forms of philanthropy in Australia?

Traditional philanthropy tends to be regarded as the domain of the very wealthy. By contrast, collective giving of the type practiced by giving groups is available to everyone to participate to whatever degree they wish. Collective giving is described as ‘the democratisation of philanthropy’. As one giving group founder put it:

*I don't think it's better than traditional philanthropy, it's just different. It's a different way to do it. What it has over traditional philanthropy is accessibility. So people can refer organisations to be funded. Anyone can apply... to be chosen.*

— **Giving group founder**

And from the perspective of a donor:

*I like the idea of younger people getting together and each pooling \$100 or groups getting together and contributing \$50 around a kitchen table, if that's what they want to do. It's the idea that even if it is a \$50 contribution from each person...that's where that democracy, democratising philanthropy comes into it. And I like that. I love the idea that I can contribute \$50 on my own or I can have a bunch of girlfriends join in with me and together we contribute \$500.*

— **Giving group member**

Traditional philanthropy and charitable giving involves the transfer of money from a donor to a charity for the purposes of addressing a need in the community. In most cases, at least until recently, personal contact or engagement between donor and beneficiary has not been commonplace. Relatively new phrases such as ‘engaged philanthropy’ and ‘venture philanthropy’ herald this change in engagement between donor and beneficiary. Giving groups work precisely to ensure that donors and beneficiaries not only meet but develop useful relationships. Giving groups represent an embodiment of engaged philanthropy, making it attractive to experienced and new donors. The hands-on personal approach to giving that the groups offer sets them apart from more established forms of philanthropy.

Giving groups offer a valuable entry into philanthropy for new donors, providing an introduction to giving and educating them about the community and charitable sector, how it functions and its related needs. As one giving group founder put it:

*It [the giving group] is a stepping stone for people to understand what the sector is about, to understand the different dimensions of what's happening in society, and the sort of people that are giving as well.*

— **Giving group founder**

The manner in which giving groups ‘do good’ differs from other forms of philanthropy and many of the stakeholders refer to the ability to leverage the activities of giving groups. This feature is a consequence of the engaged nature of collective giving groups. Giving groups provide a structured and usually ongoing mechanism for giving. Unlike traditional philanthropy it impacts a range of stakeholders and beyond them to others with what many referred to as a ‘ripple effect’.

The activities of the current Australian giving groups resemble those of some community foundations. Indeed, host organisations in this study reported having initiated types of giving groups or sub funds themselves before the current entry of giving groups to Australia.

*We have a number of sub-funds that are focused around particular issues that [fund holders] want to address, and there's a number of donors behind them. There's five or 10 funds in that category that we have, and they operate along those lines. And then we also have donor-giving circles. We have four quite formal giving circles where donors come together around issue areas and give collaboratively.*

— **Host organisation representative**

## Aims and mission

The most striking differences between giving groups and other forms of philanthropy in Australia are best demonstrated by their stated aims and missions. Common to most is the objective to grow philanthropy in Australia, both in the number of people who actively and routinely give and in the amount of money donated. This allows for a synergy with community foundations that host giving groups and that have similar missions. To this end most giving groups have equal focus on donors and charities. Their efforts at democratising philanthropy are reflected in the activities they undertake, like charity site visits, and the experience of their donor and charity stakeholders.

## Operational differences

Members typically give a set amount per annum to the giving group. The most common sum among the groups surveyed is \$1,000–\$1,200. One group had a choice of set amounts that members could donate (\$300, \$600 or \$1,200 per annum). These groups typically encourage members to commit to ongoing donations. In the case of The Funding Network (TFN) the minimum donation per event is \$100. My Giving Circle, an online host organisation, service a number of much smaller giving circles where as little as \$2 can be donated.

Giving groups generally undertake careful processes of due diligence with prospective grant recipients to ensure they have the organisational structure and business plan required to achieve their proposed outcome. The amounts of funding provided can vary from relatively small to large (\$100,000) one-off grants. In some cases giving groups commit to supporting a single organisation for an ongoing period, usually three years.

The process of grant-making varies across the groups. The most common process (56%) involved each member having a vote or one vote per \$1,000 donated, as to which charity to support. Some groups had a two stage process where applicants were short-listed by the group's committee, often with input from their host organisation, before the members voted for the final awardees.

Seventeen per cent of groups awarded grants based on a consensus from the membership while others chose the charities based on a majority rules model. Another reported a process where 'each attendee at our [grant-making] event receives their initial donation back in "charity dollars" and after hearing the pitches of the three charities decides where to allocate their capital'.

Ten out of 17 groups surveyed reported 100% of funds raised were passed onto beneficiary charities. Some of these groups charged a small levy (approximately 5%) to their members to cover some of their administrative costs. Four of the five groups that passed on less than 100% of funds raised to beneficiaries, reported that between 90–99% went to the charities they supported with the balance being used for administration. Two groups reported also allocating five and three per cent of funds to staffing. Only one organisation reported building an endowment fund with one quarter of monies raised going to this, a further three per cent on administrative expenses and the balance (72%) allocated in grants. Three groups chose not to answer the questions related to the distribution of funds raised.

Some giving groups help build the capacity of the organisations that apply for funding. This usually takes the form of pitch training to increase their effectiveness in telling their stories to donors. Skills in effective pitching are an invaluable asset which benefits charities in future fund-seeking activities. As mentioned, some more established giving groups are exploring other ways (in addition to grants) they can support the ongoing sustainability of beneficiary organisations.

## The impact of giving groups

Assessing the impact of giving groups in Australia is complex for a number of reasons. Firstly, it is difficult to accurately determine the number of giving groups in operation, since many are small and informal and there is no way of tracking their operation. The larger, more structured groups are easier to follow. This report has examined the operations of a select sample of the more prominent groups. However, due to the fluid definition of what constitutes a giving group it is difficult to be able to report with any level of certainty on the financial impact of giving groups.

Secondly, giving groups, as defined in this study, are very new and as such sufficient time has not passed to be able to determine their impact. In addition, social impact measurement in the true sense is an emerging capability in the community sector (Centre for Social Impact, 2015) and it will be some time before impact is rigorously and systematically evaluated.

There is a general consensus, certainly when drawing on the USA experience, that the funds donated to charitable causes by giving groups will always be 'a drop in the bucket'. Ruth Jones, former CEO of Social Venture Partners (SVP) in the USA described the impact of giving groups by saying:

*The real benefit of a giving circle is the role it plays in raising awareness of the participants about their community or the issue area, the systemic issues and in supporting and enabling them to become much more thoughtful donors, much bigger donors personally and to engage with the issue in all sorts of ways.*

Indications are that the real impact of giving groups in Australia will be to bring in new donors by providing an accessible entry into philanthropy and to educate the donors so that their funds can be distributed in a way that is likely to yield the most benefit. The giving groups have a potential role in building capacity and expertise in the recipient organisations so that they can fulfil their mission in the most efficient and impactful way possible.

## Member/donor experiences (learning and behaviour changes)

Giving group donors can choose to be as engaged as they wish with the grant giving process undertaken by giving groups. One estimate from the American experience was that while all members of giving groups had to contribute financially, 'about a third of them will be very engaged, about a third will be somewhat engaged and a third will not be engaged beyond giving annually and receiving very good communications about what their peers have been doing' (Ruth Jones, former CEO SVP). Those who engage fully, are educated in community social needs, and beyond becoming informed donors, can actively participate in an ongoing relationship with the charity or charities.

### Impact of the giving group on learning

Members agreed or strongly agreed that involvement with the giving groups had increased their learning and development in key areas related to civic engagement, the community sector and philanthropy, specifically had:

- learnt more about evaluation and assessment of charitable programs or organisations (74%)
- developed a greater awareness of the needs of [their] community (67%)
- developed or solidified a longer term commitment to giving and volunteering (66%), and
- learned more about the charitable sector and how charitable organisations operate (65%).

TFN donors rated their most significant learning as being 'a greater awareness of the needs of their community' (78%). Since TFN tends to have a greater number of first time funders, the awareness raising aspect is understandable.

## Impact of the giving group on philanthropic behaviour

Members described more considered giving resulted from engaging with a giving group. They reported an increase or substantial increase in:

- the amount of money [they gave] to charities and causes each year (70%)
- the degree to which [they considered] effectiveness of the organisations supported (59%), and
- [their] sense of well-being (58%).

In addition to support provided through the group, a majority of members (81%) had 'suggested that a friend or colleague support a beneficiary'. A smaller percentage had 'contributed (additional) money to a beneficiary' (48%) and 'volunteered or provided professional skills for a beneficiary' (43%).

A number of the philanthropic behaviours of members of giving groups remained largely unchanged as a result of being part of the giving group. These included:

- amount of time volunteered each year (63% unchanged)
- amount of pro bono support offered (65% unchanged)
- involvement in fundraising efforts in support of charities (70% unchanged), and
- involvement in changing government policies (90% unchanged).

These unchanged behaviours may be a reflection of the time-poor nature of donors or the fact that as experienced donors they already commit to their time to these areas. The number of organisations that members gave to remained unchanged for more than half (52%) of members of giving groups and increased for 37%.

Donors of TFN displayed a different pattern with 29% remaining unchanged in the number of causes they supported and 66% increasing the organisations they donated to. This is most likely due to the new donors entering philanthropy through TFN displaying more changes in their giving behaviours than the more established donors of the larger giving groups. The drivers which were most responsible for increased donations were:

- learning about new charities or projects through the group
- hearing about the impact on a beneficiary supported or recommended by the group
- hearing charities pitch through the group, and
- participating in making decisions about which beneficiaries the group supports or recommends.

Survey respondents were generally very satisfied with their experience of the giving groups with 84% being likely or very likely to 'remain a member' and 57% being likely or very likely to 'recruit other members'.

## The charity experience

Twenty two charities that had received funding from one or more collective giving groups responded to the survey. The charities were from each of the mainland states but carried out their community work in every Australian state and territory. One charity also worked in over 20 developing countries. All but two of the organisations had Deductible Gift Recipient (DGR) status. The charities surveyed had received single grants between 2013 and 2016 of \$4,000 to \$100,000. All but one had applied for funding from sources other than giving groups. The charities had become involved with giving groups in a variety of ways including being invited directly by the group to apply, through to word of mouth from colleagues or online information. A list of participating charities is included in Appendix C.

Charities differentiate their relationship with giving groups compared to other funding sources in a number of ways. Charities favourably compared the grant-making process of giving groups with other sources of funding. As one charity explained:

*It's different because initially there's more human connection [with giving groups]. The process is quite extensive and you get to know some donors in advance of actually pitching and going through the finals. Each step of the way you have different opportunities to connect with them. So that's good. They have a more thorough understanding of you. For other grants, I mean it's just a paper-based application so you never know if you're pitching it correctly...you get a phone call and that's it. If you don't hear for ages you know you haven't got it.*

— **Charity representative**

Charities appreciated the immediacy with which giving groups made funding decisions and for the positive way it impacted their planning.

*The ability to be a quick response, for most small companies, is allowing us to be more responsive with our community programs. With other funding it's very hard to plan a specific program or event or initiative when you don't know whether you will have the money to do it or not.*

— **Charity CEO**

The majority of responding charities (61%) rated the grant application process as 'comprehensive' and a further 22% referred to it as 'demanding'. No charity rated the process as 'excessively onerous'.

Sixty per cent of the charities reported having a formal agreement with the giving group. The charities were required to report on expenditure of the grant as well as on social outcomes and impact. Respondents rated reporting requirements:

- minimal (39%)
- comprehensive (57%), or
- demanding (4%).

No charity rated the requirements as 'excessive'.



Asked about the benefits in relationship to the effort of participation, 59% of charities believed that 'benefits outweigh the effort required' and 36% thought that 'benefits were appropriate for the effort required'. Only five per cent of the charities thought that 'benefits were not worth the effort required'. Charities recognised the added benefits of a relationship with a giving group over other forms of funding even when the application process was viewed as 'intensive'. One charity representative expressed it by saying:

*The process is quite intensive for the amount of funding available. Where these types of grants are most beneficial is in the access they give you to high-net-worth individuals and other funders who can give larger amounts. For example we got \$15,000 from [a giving group] but it involved several meetings, public pitches, written applications etc. whereas \$15,000 from a trust or foundation normally involves a short written application. However, [the giving group] did give us access to a large donor pool that we have been able to leverage for further donations, which a normal trust/foundation wouldn't make available.*

**— Charity representative**

Several charities noted unexpected benefits in the form of incidental capacity building that resulted from the application process which had caused them to reflect and adjust the ways in which they approached their marketing, fundraising and strategic planning, setting them up for the future. Different charities described it these ways:

*[The application process] made us re-evaluate how we were going to proceed from here and what areas we wanted to concentrate on...it just distils your raison d'être somehow.*

**— Charity founder**

*What [the application process] did for us was help us really refine a lot of our thinking and develop a much tighter structure and model. So that was really beneficial, and then we've been able to use that as the basis for everything else that we've applied for.*

**— Charity representative**

When compared with other grant applications, 74% rated the experience with the giving group as 'better' or 'much better'. Twenty two per cent rated it as 'the same'. Respondents described the process as follows:

*The level of assistance and support given, the training for the pitch, the expertise offered and practical approach to upskilling – the general personal approach made the entire experience not only positive but inspiring. The fast turnaround from first approach to receipt of funds made planning and execution of projects simple and also meant that we could make a quick response to situations around the projects. Ultimately the excitement generated by the occasion and the sense of community support and a belief in the value of our work was reinvigorating.*

**— Charity representative**

Charities spoke of feeling more supported with the giving groups compared to other forms of grant making. Two different charities described the process:

*It felt like they really cared in what we were up to. That was really nice and I haven't experienced that with any other funding body. I always thought it was a bit crazy that you can apply for these [other] grants and then win them and nobody's ever seen your office, or what you're actually up to, you know?*

**— Charity representative**

*We were really nurtured...it was very personal. [With other funders] it's always a question of 'This is our money and prove that you deserve it'. And then we might give you a bit if we like you enough but you've really got to work hard to prove it'. [With the giving group] it was more a case of 'we love what you do, we want to help you, how can we help you, we're going to make sure we help you'. It's just so refreshing. So instead of being guardians of the money, it's more about all these wonderful people saying 'yes, we want to do something good'. So it's a very different ball game and much, much more pleasant.*

**— Charity founder**

The ongoing relationship with the giving group was also valued. The most highly rated (78%) continuing support offered to charities from giving groups was 'the opportunity to be part of the collective giving group's community' (e.g. by attending their functions, having the charity's successes published in their newsletters to members etc.). Also important was 'opportunities to connect directly to donors' (52%).

Ninety five per cent of charity respondents believed that their relationship with a giving group provided 'greater awareness of their organisation and its mission'. This was followed by 'exposure to new donors' (59%). Giving groups introduce charities to large groups of potential lifelong supporters who may continue to fund them beyond the grant from the group, provide pro bono expertise, volunteer their time or just be ongoing advocates.

One hundred per cent of charities believed that receiving a grant from a collective giving group increased or greatly increased their organisation's credibility. One explained how the process of receiving a grant from a giving circle made it much easier to get funding from other sources as it was known that a rigorous due diligence had been undertaken.

*I think since winning Impact100 and then we had The Funding Network pitch shortly afterwards, there was momentum. It was almost like other organisations bought into us or felt they could support us because all the due diligence had been done.*

**— Charity founder**

Ninety per cent of the charities surveyed indicated that they had experienced other positive spin-offs from engaging with a giving group. The range of unexpected outcomes included:

- access to interested future employees
- willingness to try new fundraising routes
- acquired knowledge about other NFPs applying for the same pool of funding
- staff morale was noticeably higher, nice to meet people so passionate about giving, and
- forced to get some better marketing material together.

Eighty one per cent of charities reported being able to leverage greater support as a result of participation with a giving group. Examples of this were ‘in kind/pro bono support and connection to networks’ and ‘a board member and major funder from one of the early events’.

The charities place high value in the networking that the giving groups afford them. One charity described how a small grant from a giving group led to a much larger fund as a direct consequence.

*The network of [the giving group] provided us with a strong connection to contacts they had with Lotterywest. So in fact we ended up getting \$60,000 from Lotterywest for a component of what we asked for from [the giving group]. So I think the real value-add to the process was the networking.*

— **Charity representative**

Another described how the process of engaging with the giving group provided them with valuable knowledge of the local philanthropic landscape.

*We now have access and knowledge of philanthropists here in South Australia that we didn't know before. It's given us some really great insight into some of the activities and organisations that people are interested in supporting. So we've made some connections, which is good, and we've identified some people.*

— **Charity representative**

Overall, 100% of the charities surveyed were ‘satisfied’ or ‘very satisfied’ with the experience of participating in the granting process of a collective giving group.

## What are the lessons learnt from establishing giving groups in the Australian context?

There are several general observations identified by the research as well as some challenges faced by giving groups. General observations include:

- awareness of collective giving as described in this report is low across Australia. Broad media coverage has been limited and participants of collective giving are limited in diversity and income levels
- a champion or experienced advisor has almost always helped establish interested groups to form a giving group, and
- the complexities around charitable and tax laws can be a deterrent to establishing giving groups. Legislative requirements can delay or restrict the process including creating a general lack of philanthropic literacy, unaligned state-based fundraising and the distribution restrictions placed on Private (PAF) and Public Ancillary Funds (PuAF), such as PAFs not being able to give to community foundations (See Appendix F).

## The challenges faced by giving groups

The challenges mentioned by founders depended on the stage of their development. Nonetheless, a number of commonly experienced challenges emerged.

### Barriers to set-up

Negotiating the philanthropic landscape for those new to the sector was a significant challenge.

Founders highlighted that selecting the most appropriate structure and operational process proved hard.

Breaking new ground with the giving model proved demanding. As one founder put it ‘having people believe that we could create a model for sustainable change’. Other comments included:

*Defining and redefining the offering. Explaining the offering in a way people understood. Getting heard and known among all the noise in the charity space.*

— **Giving group founder**

*People understanding the model. We originally went down traditional paths of fundraising through events before choosing the giving circle model which was hard work relying on volunteer efforts.*

— **Charity representative**

### Donor recruitment

Attracting and retaining members or donors was a prominent concern for most groups. Several founders expressed apprehension about being able to maintain momentum and enthusiasm for members to continue to engage after the initial involvement. ‘Keeping it fresh’... ‘beyond the exciting first stage might be challenging’ were common sentiments from group founders.

## Workload and the volunteer nature of giving groups

As the groups were growing the burden of the workload which fell to volunteers was reported as problematic. This was predominantly the case for the larger and more formal groups that did not have an administrative budget. The CEO of a charity noted:

*I found them [the giving group] to be very enthusiastic but probably a little under-resourced for a giving group. A lot of members that we were dealing with at the time were all volunteering their professional time. I guess there were communication delays, and at times you didn't know who the right person was to speak to about things.*

— **Charity CEO**

One founder reported that 'the ongoing management of [the giving circle] is intensive' and another recognised the pressure this put on 'time poor community volunteers'. Sharing the workload became a priority, as one founder put it, 'empowering committee leaders to spread the responsibilities of running the giving circle – most have been fabulous and work very hard but all is on a pro bono basis'.

## Fulfilling the promise

As previously noted an appealing characteristic of giving groups from the members' perspective is the understanding that all money donated goes to the selected charities. In reality, there is a cost of administering the funds and the desire to distribute all funds to the charitable beneficiaries can cause a degree of angst. The dilemma was described by a host organisation representative:

*I see the biggest challenge is how tied up in knots [some donor groups] get around trying to honour the commitment of 100% of funds going out through their granting to the community... I've seen our newer groups get tied up in knots about this, trying to think through how they get the fees covered.*

— **Host organisation representative**

## Scalability and growth

There appears to be a crucial point in the growth of giving groups where the value of it being a volunteer run group is diminished by the restrictions this imposes on its growth. While most were focused on growth they acknowledged that this came with challenges. One founder listed their giving group's most significant challenge as 'scalability, working out how to leverage the system to allow as many people as possible to use it easily'. Similarly, another believed it to be 'funding for ongoing growth and operational costs of our organisation. Resourcing our organisation for its unexpected growth'.

## Covering costs

As groups grow the need to secure funding for operational costs becomes more pressing. Recognising this some groups may limit their growth to within a manageable size for their existing resources. Others may look at alternatives to their purely volunteer-based organisation and seek funding for administrative purposes. It is difficult to ascertain which path Australian giving groups will follow. To date, few giving groups in Australia have sought funding outside member donations. Some had received significant donations to kick start the group and others, such as TFN and more established Impact100 groups had secured business sponsorship, including cash and in-kind support. The main driver has been to allow the groups to pass 100% of member donations on to charities.

## Host organisation relations

The relationship between giving group and host organisation can be tested as new and uninformed donors come into the partnership. A lack of philanthropic literacy and the volunteer nature of the giving groups can present challenges for the partnership between host and giving group.

*We've become very aware of how much information volunteers have who are starting the more formal giving groups...how much experience they might have in philanthropy and/or running these types of groups. How much time we're going to have to spend with them is an issue for the foundation...The volunteer nature is quite problematic for philanthropic literacy and also just for consistency of dealing with the group. So, for example, we've had to say to one of our newer groups recently, we have to have one point of contact with the foundation. So we can have one discussion about an issue and then have another member of the giving circle team come in and then want to have another discussion about the same topic.*

— **Host organisation representative**

Also putting strain on the relationship, from the host organisation perspective, is 'the staff time required' and 'the cost of service' involved in working with giving groups. These two factors were rated as very challenging or extremely challenging by 50 per cent and 40 per cent of hosts surveyed.

It was also noted that host organisations, usually community foundations, have different objectives and priorities to giving groups, which can become problematic. For example, community foundations often create endowment funds while giving groups tend to distribute funds immediately. It was described by one host organisation representative thus: 'As a community foundation it went against the normal "endowment" model of giving. So we had to re-think the organisational approach to group giving'.

## Achieving sustainable impact

Giving groups are keen to support the sustainability of the charities and community organisations that they work with. They already do this to a degree with the due diligence that they conduct on potential beneficiaries and any capacity building that they can offer also supports this. However, at times their focus on providing large grants for high impact may not be the best option for the charities they work with. Longer-term, ongoing grants may be more effective than one-off support for better sustainability.

*There is a focus on innovation within philanthropy – for example through adopting ‘collective impact’ approaches, or through providing multi-year grants to organisations to build and support their capacity.*  
— **Philanthropy Australia, 2015**

While the large grants are intended to be ‘transformational’ for organisations, in some cases the experience has been challenging, particularly if the funding is tied and is required to be spent in a relatively short time frame. The representative from one charity described the situation:

*I think the biggest difference [receiving a large grant from a giving group] is that it was a one-off big amount, as opposed to recurrent funding. So, that has positives and negatives. And so, in one year, when you get one big amount like that, which is wonderful for that year, unless it’s a sustainability type investment, you then have a big huge hole the year after, which is difficult to fill.*

— **Charity CEO**

Alternatives were suggested by the charities:

*If someone asked me now ‘what would you rather have?’ I’d say ‘give me \$30,000 every year for three years’. And in that period of time we know exactly what the \$30,000 is for and part of the last block of \$30,000 is invested in exit strategies and the next partnership, and it’s understood that that’s what the money is for.*

— **Charity CEO**

To further support sustainability of organisations, giving groups might consider other modifications of their grant making offerings. The following comment from a representative of a charity suggests an alternative approach.

*[In giving groups] there’s a lot of very influential and skilled people in the room. I think it would be great to have a package of support that actually is a combination of \$100,000 cash and \$50,000 worth of in-kind professional support. And the combined package has an operational impact and a strategic impact.*

— **Charity representative**

## What might be the future of giving groups in the Australian context?

Determining the future of giving groups in Australia is a combination of extrapolating current trends, borrowing from the longer established experience of international groups and imagining possibilities. Giving groups are in the very early stages of development in Australia. Continued steady growth can be expected, reflecting trends in both the USA and the UK and Ireland. In the USA, it is believed that for the hundreds of recorded giving groups, there are likely many more unrecorded. Australia will predictably develop in similar ways, growing naturally, in line with the broad trends being observed in philanthropy, namely including ‘giving while living’, being more strategic about giving, and donors becoming more engaged with the charities supported (Pro Bono Australia, 2013; Gibbs, S., 2014; Philanthropy Australia, nd.).

This research has offered an insight into the most likely impactful influences that giving groups will have in the Australian philanthropic landscape. They fall into two broad categories, namely:

- growing philanthropy, and
- capacity building within the community sector.

## Growing philanthropy and capacity building the sector

The combination of personal benefits participants derive from collective giving, including accessibility, community connection and high impact, will result in a growing number of collective giving initiatives and participants. Collective giving is a way people on all income levels can make a visible difference, if they desire. As the idea becomes more commonly known and understood, more people will engage in this type of philanthropy.

The developing relationships between giving groups, businesses and charities (see Figure 5) will have a positive impact on capacity building within the community sector. There has been a call for some time (Centre for Social Impact, 2015) to look towards capacity building among community organisations as a means to secure significant social impact. Giving groups are ideal enablers for this to occur and have an important role to fulfil as they grow beyond the mere distribution of funds.

These benefits in turn will be dependent on:

- growing community awareness of the idea of collective giving and its possibilities
- increasing diversity and reach, and
- overcoming hurdles of starting up and sustaining a giving group.

## Growing community awareness

The contemporary phenomenon of collective giving groups is not commonly known or understood in the Australian community and seems to have occurred in the closed shop environment of the philanthropic, social and community sectors. This form of organised collective philanthropy is very new in Australia, and its development, to date, has been organic, relying on informal networks and word of mouth.

Mainstream media coverage has been limited. Most coverage has been through philanthropy sector channels (e.g. Fundraising & Philanthropy, 2012; Pro Bono Australia, 2013; Philanthropy Australia, nd.) and as such, has predominantly reached those already interested and engaged in philanthropy. Spreading the word through mainstream media has not been a high priority for most giving groups with their efforts appropriately focused on local donor recruitment. In the interest of growing giving groups in Australia, and due to the significance of 'someone had the idea and made it happen' (See Catalysts and enablers, p.14) there is a definite need to have this 'good news' story spread wider through public news media channels and through other forms of communication to communities.

Nevertheless, best practice collective giving has grown to a point in Australia when it can be publicly recognised and acknowledged. A category for collective giving could be added to established philanthropy award programs, such as the Philanthropy Awards, hosted by Philanthropy Australia. This would help draw attention to the impact they are having and encourage broader media attention.

## Increasing diversity and reach

There are several areas that this research identified as currently not well represented among the giving groups and therefore appropriate for development. They include:

- giving groups in rural and remote locations
- the demographic profile of group members and donors
- the potential of giving groups within the workplace, and
- groups formed around a specific cause.

Nearly all giving groups in Australia are located in major cities. The potential for them to be established in regional and remote communities is considerable. Research in the USA tells us that giving groups are flourishing in small towns. Indeed, collective giving is an ideal way of starting a community foundation in a regional area. It would grow community independence and offer greater awareness of community needs across the local population.

The Foundation for Rural and Regional Renewal (FRRR) is well placed to take a pro-active role to encourage collective giving groups in communities, being well positioned to provide start-up grants and offer sub-fund services. Further, FRRR is one of the few facilitating organisations in philanthropy able to receive donations from PAFs, allowing them to collaborate with private foundations with a specific regional or rural geographic connection or interest. Local businesses may also provide good collaborators to encourage new giving groups.

The second potential for growth is in the lack of diversity within giving groups. All groups surveyed displayed a lack of involvement from donors under 40 years of age. In addition, unlike the USA, there was almost no representation of culturally and linguistically diverse (CALD) populations. The launching of My Giving Circle and Good Mob are encouraging initiatives to engage a younger demographic. Likewise, Impact100 WA has been running Young Impact and TFN's events draw many young donors. These positive signs can be further encouraged and built on.

The third area that surfaced in the research which shows promise for the future is the synergy between giving groups and the workplace. The relationship could take a number of paths including giving groups being established within workplaces or businesses incorporating elements of collective giving in existing workplace giving programs or offering their talents through the provision of pro bono services (see Appendix D as an example of this).

Lastly, groups forming around a specific cause area offer significant growth potential. The newly established The Channel giving group is dedicated to members of the LGBTIQ+ community and represents Australia's first large scale cause driven giving group. The Channel has the potential for national significance but currently has limited capacity to promote themselves. This, again, provides an opportunity for support.

## Overcoming hurdles

The research noted the lack of philanthropic literacy among giving group members and highlighted the need for improvement. This challenge exists at start up and continues into the life of the giving group. Currently, 'negotiating the philanthropic landscape' falls predominantly to the hosting organisations to act as guide or the group members themselves to find the way utilising whatever expertise they can locate. There is no clear, central point of information or support for new giving groups, host organisations or charities. The role of a central point of information and support or peak body would be highly beneficial.

There are several practical barriers to establishing giving groups. Start-up costs can be significant, in particular initial marketing and promotional costs. Host organisations usually require significant minimum balances from giving groups and charge annual fees for services. These costs may in some cases be restrictive, preventing the establishment of giving groups by other than wealthy individuals. Start-up costs vary from a few hundred dollars in the case of a new Awesome Foundation chapter using an established online infrastructure to a typical Impact100 group costing in excess of \$30,000 in its first year (see Appendix E). Access to small start-up grants from government or organisations keen to stimulate philanthropy would reduce this barrier. PAFs might be interested to support the start-up of a giving group but are restricted to do so by the fact that they are unable to give to community foundations (See Appendix F). An alternative approach would be to encourage host organisations to reduce the requirement of minimum account balances in the case of giving groups. In the USA, small giving groups within a community foundation (Bearman, 2006) often negotiate a smaller minimum balance and an affordable annual fee.

In Australia, giving groups seeking greater independence may set up as a PuAF. However, this option takes time, money and knowledge to address all functional and legal requirements. Currently, this is not a practical consideration for most Australian giving groups but, with the right support, may well be the direction taken by the larger groups in the future due to the freedom it offers.

A further hurdle to overcome is the growing pains successful giving groups encounter. As groups grow, their administrative responsibilities grow too. Capacity building grants or administrative support would be helpful at this stage and is explored further below.

There is evidence of the philanthropic sector recognising the potential of giving groups and trying to offer broad support services. Maree Sidey, CEO of the Australian Communities Foundation (ACF) states that 'the ACF is committed to supporting accessible, collective philanthropy across Australia', however their resources are limited. Recently the ACF have invested in updating their IT infrastructure to better support collective giving. While this system is now live Ms. Sidey says it needs to be further optimized to enable the ACF to support and promote the infrastructure of collective giving nationally. This platform may be the early stages of a more user-friendly interface for collective giving groups, allowing them access to a cost effective online portal.

## Capacity building and giving groups

Giving groups are in an advantageous position to build capacity in the community sector, not just through grant making but also through providing pro bono expertise to grant recipients. This is currently taking a back seat to the distribution of funds by most groups who are challenged to provide more due to the volunteer nature of their organisation. There are a few examples among the groups that participated in this research of capacity building activities for their grantees. Most notable among these is TFN (see Appendices A and D). Indeed the ability to help strengthen the charitable organisations is predicated upon the giving groups building their own capacity and sustainability.

This research has highlighted the fact that some of the giving groups in Australia are reaching a critical point where they must decide whether they will cap their activities at their current level or whether they wish to continue to grow. Eighty eight per cent of founders surveyed in this study have an interest in 'encouraging new donors' and 83 per cent have a 'desire to leverage resources and give more money'. While this may be a reflection of founders of giving groups being highly engaged in the philanthropic and community sectors and seeing the potential, it could also be seen as a cry for assistance.

It is encouraging to see a large percentage of groups intending to grow but there are associated consequences. It is not uncommon for groups in the USA to be distributing in excess of \$500,000 per annum. Administration becomes more complex as the focus moves from donor recruitment to best practice grant-making practices. Volunteer burn-out is common. This leads many USA groups to change their structure and employ staff. Growing therefore brings with it considerable challenges that may test the giving groups very identity. Bearman (2007) points out, 'giving circles are highly sensitive to the fact that members want their donations to go directly to grants, not administrative overheads. This poses a problem with sustainability'.

A possible solution to this may be the availability of capacity building grants that could be accessed once a group had reached a certain size and wished to grow further and build sustainability. Grants might be made available to match business or member contributions. Promoting a point when groups become eligible for a grant might also offer a useful donor recruitment incentive. Interestingly, nearly a quarter of giving groups in the USA access some form of outside funding for capacity building. This usually comes from major donors, business partners or community foundations (Bearman, 2007).

Major donors and PAFs may also offer capacity building and sustainability support. However, as already mentioned, PAFs cannot currently give to community foundations. This impedes their ability to help. An outline of the issues related to this are provided in Appendix F. An alternative future approach might be to encourage the formation of a cooperative back-office administration that would be shared by larger giving groups across Australia. Shared paid staff could manage donations, communications, customer relation management, granting, events and impact measurement.

Growing and capacity building giving groups can also be achieved through a forum examining best practice and encouraging exchange of ideas. There are a number of philanthropy and fundraising conferences in Australia able to host a collective giving stream including those run by Philanthropy Australia, Generosity, Fundraising Institute of Australia and Australian Community Philanthropy. Valuable topics could include legal frameworks, structural options, fundraising tips and growing pains. A forum could facilitate practical assistance, sharing of stories and host international specialists.

## Other future enablers

### The role of a peak body

The capacity of a current organisation to act as a central point of information to support the establishment and continued functioning of giving groups in Australia would be a valuable asset to ensure growth and sustainability into the future. Caitriona Fay, National Manager Philanthropy and Non-Profit Services at Perpetual believes the key barriers to growth of giving groups in Australia are a lack of specifically designed technical infrastructure along with limited communication and channels to get advice.

*It can be a hard area to navigate without a specific point of contact. There is the need for a leadership group... this would be a good use of public funds but any government involvement should be at arm's length.*

**— Interview, Caitriona Fay**

In the USA, the Forum of Regional Associations of Grantmakers performs this function. In the UK and Ireland, Eikenberry & Breeze (2015) found 'half of all giving circles [of 80 surveyed] appear connected to a centrally organised charitable organisation with dedicated professional staff who help to administer groups' (p. 6). Philanthropy Australia or the Australian Communities Foundation are the closest equivalents in Australia but currently both are not resourced to provide specific support to giving groups.

Dedicated national support could help promote and support new initiatives, providing advice on the philanthropic environment, models and keys to successful set-up. A national register could form a network of groups able to share resources and inspiring stories. This could also help groups navigate the challenges and barriers to growth such as selecting an appropriate legal structure, fundraising and capacity building.

A national point of support may also prove valuable to approach common issues on a national level. For example, the development of a national online donations portal, developing free start-up resources including application forms and voting templates, media management, reporting processes and impact measurement. It could also broker pro bono support with the business sector around legal advice, IT support and general sponsorship. Appendix G provides a comprehensive list of potential future resources and mechanisms to facilitate the functioning of collective giving groups that could be provided by a central point of support. This list is not restricted to responding to the barriers currently faced by giving groups but rather offers a one-stop-shop of services derived from the survey, interviews and broader research.

### Role of Government

The research suggests government intervention should be considered carefully. Independence and democratic processes are key to the success of giving groups. There are a number of ways, however, in which government could encourage and support giving groups to flourish in Australia. Broadly, government could help resource the philanthropic sector to better respond to the needs of giving groups as outlined above. Resources to fund support mechanisms would be enhanced by reviewing taxation and regulatory requirements that currently impact giving groups. Further, Government support would be best offered through intermediaries, such as an identified central point of support and provided broadly across the collective giving community.

# Conclusion



This research outlines the activities of giving groups in Australia and confirms that there is much to benefit from greater community engagement with collective giving. The number of groups is on the rise despite the barriers and challenges faced at start-up or during development. Giving groups are inclusive and are proving to offer positive, unique and new directions in philanthropy. They are a response to a demand in the community to be more engaged with the charitable sector and be more aware of the difference they are making as donors. Giving groups are making powerful philanthropy available to everyone and the impact they have more visible.

Internationally, the benefits of giving groups are well established (Bearman, 2007; Eikenberry and Bearman, 2009). Giving groups engage new donors by inspiring them to give and give more. They connect donors to each other, to charitable causes, and provide a multiplier effect in donations, pro bono support and volunteering. They improve donor decision-making and increase donor knowledge about philanthropy and not-for-profits. They build stronger communities by capacity building, growing local knowledge and making connections. They encourage active participation and add to a stronger and more sustainable charitable sector. If the number of giving groups continues to grow in Australia, it is safe to say that many of these benefits will be the result.

As giving groups grow in Australia, the contribution they make are likely to follow international trends. This research suggests an acceleration of the establishment of giving groups can be achieved with greater levels of awareness of the range of possibilities and promotion of their many impacts. Channels of communication can be opened to make known the positive effects of collective giving outside established philanthropic circles. This report highlights ways to support and encourage more giving groups, most importantly a central point of promotion, information and support and helping successful groups build a sustainable future. Giving groups have the potential of revitalising and strengthening both metropolitan and regional communities. Long-term, with the right encouragement and support, giving groups will spread across wealth, age, gender and race, growing philanthropy in Australia.

# References

- Bearman, J.E. (2007). *Hosting a giving circle: The benefits and challenges of giving together*. Forum of Regional Associations of Grantmakers.
- Bearman, J.E. (2008). *A handbook for giving circle hosts*. Washington D.C: Forum of Regional Associations of Grantmakers.
- Centre for Social Impact (2015). *Media Release: Leading social impact experts debate WA Community Sector issues*, 10 December, 2015. Retrieved from <http://www.csi.edu.au/news/media-release-leading-social-impact-experts-debate-wa-community-sector-issues/>
- Eikenberry, A. M. (2009). *Giving circles: Philanthropy, voluntary association, and democracy*. Indiana University Press.
- Eikenberry, A. M. (2015). *Collaborating with Giving Circles: The Experience of Beneficiary Organisations in the UK*
- Eikenberry, A. M., Bearman, J., Han, H., Brown, M., & Jensen, C. (2009). *The impact of giving together: Giving circles' influence on members' philanthropic and civic behaviors, knowledge and attitudes*.
- Eikenberry, A. M., & Breeze, B. (2015). Growing philanthropy through collaboration: the landscape of giving circles in the United Kingdom and Ireland. *Voluntary Sector Review*, 6(1), 41-59.
- Eikenberry, A. M., Brown, M., & Lukins, L. (2015). *A Study of the Impact of Participation in UK Giving Circles*.
- Forum of Regional Associations of Grantmakers, (2016). Retrieved from <https://www.givingforum.org/>
- Fundraising & Philanthropy, (2012) *WA giving circle ready for take off*. Retrieved from [www.fpmagazine.com.au/wa-giving-circle-ready-for-take-off-315820/](http://www.fpmagazine.com.au/wa-giving-circle-ready-for-take-off-315820/)
- Gibbs, S. (2014). Top 10 Aussie collective giving groups, *Generosity*. Retrieved from <http://www.generositymag.com.au/top-10-aussie-collective-giving-groups/>
- Giving USA, (2016). Retrieved from <https://givingusa.org/>
- Mahmood, M. & Santos, F. (2011). *Family Philanthropy in Asia*. INSEAD & UBS Philanthropy Services. Retrieved from [www.ubs.com/philanthropy](http://www.ubs.com/philanthropy).
- McLeod, J. (2015). *Australian giving trends: Signs of life*. JB Were.
- Philanthropy Australia (nd). *Collective giving*. Retrieved from <http://www.philanthropy.org.au/how-to-give/collective-giving/>
- Philanthropy Ireland, (2012) *Report of the Forum on Philanthropy and Fundraising*. Retrieved from [www.philanthropy.ie/wp-content/uploads/2012/07/PhilanthropyReport\\_final-print.pdf](http://www.philanthropy.ie/wp-content/uploads/2012/07/PhilanthropyReport_final-print.pdf)
- Pro Bono Australia (2013). *Giving circles – the new philanthropy*. Retrieved from <https://probonoaustralia.com.au/news/2013/12/giving-circles-the-new-philanthropy/>
- John, R. (2014a). Virtuous circles: the growth of collective philanthropy in Asia. *Alliance for philanthropy and social investment worldwide*. 19(1), p.20-21.
- John, R. (2014b). *Virtuous circles: New expressions of collective philanthropy in Asia entrepreneurial social finance in Asia* (Vol. 3). Working paper no.3.
- Rutnik, T. A., & Bearman, J. (2005). *Giving Together: A National Scan of Giving Circles and Shared Giving: the Guidebook to Giving Circles*. Forum of Regional Associations of Grantmakers.
- The Philanthropy Review, (2011). *A call to action to encourage more people to give and people to give more: Recommendations from the Philanthropy Review 2011*, Retrieved from <http://esmeefairbairn.org.uk/uploads/documents/Publications/Philanthropy-Review-Charter.pdf>
- Williamson, A. & Wendy Scaife, W. (2016). Executive summary in *Giving Australia 2016: Literature Review*. Scaife, W., McGregor-Lowndes, M., Barraket, J. & Burns, W. eds. Brisbane, Queensland: The Australian Centre for Philanthropy and Nonprofit Studies, Queensland University of Technology, Centre for Social Impact Swinburne University of Technology and the Centre for Corporate Public Affairs. Retrieved from <http://www.communitybusinesspartnership.gov.au/about/research-projects/>

# Appendix

## Appendix A: Case studies of giving groups in the USA and Australia

The following case studies have been prepared by the authors of this report, for this report, in consultation with the founders of each group. The case studies describe six examples of collective giving groups, three in the USA and three in Australia. They demonstrate the variety of ways collective giving groups function and achieve impact. They confirm the common attributes of pooling resources, educational opportunities and high impact grant-making while describing each group's unique form and function.

### Giving groups in the USA

#### Portland Giving Circle, Portland, Oregon

*Small is mighty.*

A small giving circle in Portland, Oregon, so small it doesn't have a name, has a mighty impact. Gail Durham, a retired academic brings together twelve other women in Portland on a regular basis. They're all retired now, but weren't when they began their giving group back in 2000. Each member of the circle donates \$500 annually, forming a pool of \$6,000. The money goes into a sub-fund of the Portland Community Foundation making the donations tax deductible. The group annually advertises a scholarship opportunity in the local community. The scholarship is awarded to 'a woman in Portland rising out of poverty'.

Gail explains, 'The process of deciding who to give the scholarship to, out of several hundred applications, is very enriching for the group. Members learn a great deal about the lives of others in Portland and they make a real difference to an individual's life each year'. The group usually retains a close relationship with the annual scholarship winner, offering long-term mentorship and support beyond financial. Gail explains that host organisation, the Portland Community Foundation is essential as they offer the donors tax deductibility and advice.

#### Dining For Women, Greenville, South Carolina

*Local action, international impact*

Dining for Women (DFW) has distributed over \$5 million to international communities to empower women and girls living in extreme poverty. They support programs that foster good health, education and economic self-sufficiency.

Marsha Wallace founded the group in 2002 to cultivate educational giving circles that inspire individuals to make a positive difference through the power of collective giving. She explains, 'I wanted to encourage a new paradigm for giving – collective giving on an immense scale while maintaining the intimacy of small groups with a focus on education and engaged giving. A founding value is that education transforms the giver and the receiver.'

Since 2002, over 400 chapters around the USA 'dine in' together each month, each person bringing a dish to share, and offering their 'dining out' dollars as a donation (what they would have spent if they had eaten at a restaurant –

on average US\$35). The dining-out pooled dollars, from over 8,000 members across the USA, are sent to the head office in South Carolina. The DFW head office combines all donations to support one carefully selected international program each month.

A national Grants Selection Committee investigates and selects potential international beneficiaries. Grants are given to non-governmental organisations and are capped at \$50,000. Chapters engage in the grant-making process and a panel of experts on international aid advises on areas of need and project evaluation. DFW organise up to four trips a year to international projects so donors can report back to their chapters on the impact of their giving. DFW has given in 39 countries.

Back in 2003, the collective chapters raised \$7,095. By 2015, the annual amount had risen to \$1,406,170. Seventy per cent of this comes from chapter donations, 26% from an annual fundraising drive and only 1% from foundations and corporations. DFW's administration costs remain below 15%. Fifty nine per cent of the pooled fund goes to overseas grant recipients and 23% goes to international aid program support costs. Almost all funds raised each year are distributed in the same year. A small \$25 application fee applies to members. After only 12 months, the organisation had grown to a size justifying its own independent charitable status.

*The efforts of Dining for Women have undertaken... all across the country over the past fifteen years provide a powerful example of how individual acts of giving, when aggregated, can make a deep and transformational impact.*

—Hillary Clinton

#### Washington Women's Foundation, Seattle, Washington State

*Capturing the capacity of women*

The celebrated Washington Women's Foundation (WWF) in Seattle was founded in 1996 by the inspiring matriarch of collective giving in the USA, Colleen Willoughby. From small beginnings, WWF is now one of the largest and longest running collective giving groups in the USA with nearly five hundred members. WWF's mission is to 'step up to a bolder level of philanthropy, looking deeper into the needs of our community and demonstrating the positive impact that results from informed, focused philanthropy and to educate, inspire and increase the number of women committed to philanthropy in order to strengthen community'.

Colleen Willoughby wanted to put the knowledge and capacity of local women to good use. It began when she gathered five women friends and created the inaugural board. Colleen explains, 'The mission was to support local, not-for-profit community organisations and mobilise women's interests and knowledge. We may not all be wealthy women, but we hold great wealth in common'. Through shared networks they recruited donors at \$2,000 each.

Grant applicants and nominating members submit a Letter of Intent to WWF. In 2015, they received 270 applications. These are reviewed by the Grant Committee against three criteria: emergent need, bold new venture and new solution to a time worn problem. They are shortlisted to a workable number for the wider volunteer team to adequately study and consider. Out of their deliberative work, they invite five organisations in each interest area to submit a full grant proposal. The interest areas are arts & culture, education, environment, health and human services.

The final 25 applications receive a full study, due diligence and site visit. The voluntary committee reports on the assessment in open member meetings for those interested. Three in each interest area are selected to go further. Ultimately, members then vote for their preference and five \$100,000 grants are awarded. Some organisations receive a smaller grant and a WWF Merit Award. The Merit Award is highly valued in the community and can be used by the charity in promotional material to attract new donors and build greater community awareness.

Colleen explains, 'This process is to develop the knowledge that is required of a philanthropist to know where he/she wants to invest.' Members are encouraged to participate and are invited to numerous education forums throughout the year, from not-for-profit industry guest speakers to financial advisers on how to assess grant applications. Donor participation builds knowledge and new connections. 'We have chosen to use a more pro-active approach for donor training. What is your passion and what do you need to know to feel comfortable making a large grant to an organisation. We think of WWF as newbie philanthropists in training'.

'Making large grants of \$100,000 is not easy. Many of our members do have large capacity, but they lacked the understanding of how to make decisions for grants of that size. That is where the 'collective' comes in. When you are in a group that shares its social capital, you learn through working together, how to become a philanthropist in your own right.'

WWF's Grant Committee has over 70 members. A similar sized Assessment Committee steps in after a grant has been made. The Assessment Committee manages the Memorandum of Understanding with the grant recipient, including a 2-3 year reporting process. Annual site visits result in a written progress reports. Colleen explains, 'We consider our assessment just that, helping the grantee to be successful'.

After 13 years the capacity and complexity of the grant-making process demanded change. Colleen stepped down as volunteer President and the organisation re-structured to employ staff. The Members now give \$2,500 each year, \$500 of which supports administration including the costs of a CEO and staff. The \$2,000 balance is split equally between a pooled fund and a donor directed fund, where the donor can direct two grants of \$500 themselves.

WWF recently celebrated its 20<sup>th</sup> year having distributed over \$16 million in grants benefitting more than one thousand not-for-profit organisations. Although always evolving, its original premise and practice has remained consistent: everyone contributes the same amount and makes a 5 year commitment; everyone has one vote on the distribution of the Pooled Fund of \$500,000; and participation on any of the committees is open to all and totally voluntary.

At the time of the re-structure in 2010, a capital campaign was launched to mark the occasion and an additional \$2.5 million was raised to support a sustainable administration. This has now become the Endowment Fund attracting annual donations.

Colleen ends, 'It's not only the dollars we give, but the dollars we influence. WWF are building donors of the future. WWF is a tool to develop a civil society and empower everyone to be a part'.

## Giving groups in Australia

### The Funding Network, Australia

#### *Live crowdfunding*

Based on a UK model, The Funding Network (TFN) has been operating across Australia since 2013 and is part of a global network. Lisa Cotton, Founder and CEO of TFN Australia says, 'TFN is a powerful capacity building model for grassroots charities that harnesses the power of storytelling via live crowdfunding events, then levers these to get people more deeply engaged in the community via volunteering and mentoring initiatives.'

In only four years, the organisation has held events in Perth, Sydney, Melbourne, Brisbane, and Canberra. Working in partnership with 40 corporations, foundations and government, TFN has hosted over 30 events which have facilitated in excess of \$4 million for its 130 charity partners from thousands of donors.

The model is simple but powerful. For each event, TFN shortlist four projects put forward by charities. On the night of the event, which is co-hosted by a business partner, each charity pitches its organisation for six minutes then answers questions from the audience. After they leave the room, facilitated live pledging commences with the aim to raise at least \$10,000 for each project. Donations range from \$100 to several thousand. Individuals, business and philanthropic foundations can all play a part. A successful feature of TFN events is the act of seeking matching donations to accelerate gifts to reach the target.

Since its inception, TFN Australia has provided the charities with another \$1 million-plus worth of inkind services and has helped to up-skill them via TFN's tailored pitch coaching sessions, measurement and evaluation workshops and impact reporting programs.

Ten per cent of money raised goes towards the operational costs of TFN. All donations are tax deductible as TFN holds its own deductible gift recipient status.

Lisa adds, 'The events are informative, entertaining and inspiring and there's a great rippleeffect. Charity partners cite heightened profile, personal development of staff, as well as access to networks they could not reach on scale is just as important as the funding received. Research reveals that donors appreciate the accessible nature to support grassroots charities of a model that presents a powerful multiplier for their donations'.

*Pitching Milk Crate Theatre's work at the TFN event was such as extraordinary opportunity for us. The funds and contacts made were well beyond what we had hoped for. And the training and support equipped us with skills we will use in the future.*

—Maree Freeman, Artistic Director

### **Awesome Foundation, Melbourne, Sydney, Newcastle and Adelaide**

*Micro-grants have awesome results*

The Awesome Foundation is a global community of autonomous chapters supporting local projects with micro-grants. Typically, each chapter has 10 trustees who each contribute \$100 monthly and then meet monthly to read grant applications. Each chapter operates independently and few register as incorporated organisations themselves. Once the funds are pooled, and the pooled donation made, tax receipts can be provided to the individual trustees if applicable. Applications to each chapter can be made electronically through the global website, minimising administration costs to almost zero.

Started in 2009 by a group of students at the Massachusetts Institute of Technology, the Awesome Foundation has over one hundred chapters around the world, with four in Australia. Every month each chapter awards \$1000 micro-grants to 'awesome ideas and projects'. Collectively across the world donations have gone into the millions.

### **Impact100, Perth, Fremantle, Melbourne, Adelaide, Brisbane, Sydney, Sydney North and Tasmania**

*100 give \$1,000. It's that easy*

Impact100 groups start by gathering 100 people to donate \$1,000 each, raising a pool of \$100,000 to make large, high impact grants to lesser known local charities. The Australian Impact100 groups follow the USA Impact100 movement, the biggest group of which has 1000 members and gives over \$1 million away each year (Impact100 Pensacola, Florida).

The groups have two broad objectives: to make large, high impact grants locally and to build greater awareness of local community needs across a community. Impact100 believe the high impact of grants seen locally demonstrates the power of philanthropy and encourages greater generosity.

All the Impact100 groups in Australia are sub-funds of a community foundation or public fund. This allows members to receive a tax deduction for their donation. Cause areas are selected by each Impact100 group based on the needs of their community. All groups provide an assessment process encouraging member participation. By the end of the process, a short-listed number of charities present their project to the membership in a forum. An open and democratic voting process selects the successful grant recipients.

James Boyd, Australian Convenor of Impact100AUS explains, 'Impact100 is not about making ten grants of \$10,000. We make large grants, usually of \$100,000, to have a game-changing impact—an impact our members can see. We give all the money we raise each year away, and this is a secret to sustainable membership. Our members become addicted to giving, because they can see and enjoy the impact.'

Impact100 believe it's just as important to offer its members community knowledge. Donors can be as hands-on or hands-off as they like, but participation in the process offers unique insight, opportunity and leverage. 'Presentations by community leaders as well as site visits offer a rare glimpse into the great work being done by local charities. Did you know the Centre for Cerebral Palsy in WA has a Sleep Solutions Team? They assist individuals, usually children with complex disabilities & their families when a child isn't sleeping well, there are no winners, everyone suffers, and the support provided by this team is life changing. An Impact100WA member was so moved by this service he gave them a van and kitted it out. They had been using the boot of a small hatchback beforehand.' Impact100 connects individuals with capacity to help with community need.

In Fremantle, Impact100 was an ideal strategy to build the sustainability and impact of the Fremantle Community Foundation. Impact100 Fremantle is a sub-fund of the community foundation and appeals to a less affluent proportion of the community to be donors. It also builds on the strengths of traditional community foundations by connecting to a generous younger demographic and capitalising on the wealth transfer from Baby Boomers to Generations X and Y.

Impact100 groups in Australia began in 2012. They are entirely volunteer-run and very little funds go to administrative costs. There are now eight groups in Australia and Tasmania. There is also interest in the model from several large regional towns. Collectively, the Australian Impact100 groups have distributed over \$2.5 million with the value of grants to reach \$1 million a year in 2018.

James adds, 'Collective giving makes powerful philanthropy available to us all.' Wendy Steele, founder of the Impact100 movement in the USA believes there are two kinds of people in the world: those who see the needs in this world and realise they can be part of the solution and those who still need to be invited to the party.

## Appendix B: Definitions and clarifications

To provide clarity on the definition of terms used within this report the following is offered for reference:

- Any group of individuals, foundations or organisations or a combination of them can come together to form a **giving group**. What is important to this study is that the group is initiated by the grant-maker/s, not by a charity. The giving group may be assembled around a specific cause but this is their choice and their decision to define (i.e. The Channel). Giving groups represented in this study:
  - pool their resources in some manner
  - display an education or community building component
  - collectively decide how and where funds are distributed, and
  - are always donor initiated
- **Giving groups** will usually aim for members' donations to be tax deductible and convenient. To achieve this, giving groups will sometimes apply for their own Deductible Gift Recipient (DGR) status (e.g. 100 Women, The Funding Network) or in other cases establish themselves as a sub-fund of a foundation, usually a community foundation (Impact100, see Appendix A). The community foundation becomes the **host organisation** offering services to the giving group for a fee, including tax deductibility.
- **Crowdfunding** is a mechanism used to fundraise. It's usually initiated by an individual, a group of individuals or a charity to raise smaller donations for a specific cause, from many people, typically via the internet. Crowdfunding is typically cause led and donors are not part of an on-going membership, so it is not included in this study.
- Live crowdfunding by **The Funding Network** could also be described as a crowdfunding mechanism. Their inclusion in this study is justified because they hold on-going donor relationships and their events are arguably for the interest and benefit of their donors more so, or at least equal to the charities they support.
- Private donors and foundations may take part in collective **impact investing**, which is defined as investing to make meaningful social impact while delivering attractive investment returns ([www.socialventures.com.au](http://www.socialventures.com.au)). Impact investing is not covered in this report.
- Several organisations such as Social Ventures Australia, Ten20 Foundation and Opportunity Child are making headway facilitating the collaboration of major donors and foundations towards **collective impact**. Collective impact is described as the opportunity for multiple partners, across government, corporate and social sectors to work collectively to address major social challenges. Collective impact does not make up part of this report.
- In Australia, there is a number of funding networks with shared interests in cause areas, such as the Environmental Grantmakers Network and Philanthropy Australia's Funder Groups. These networks do fund projects in partnership but they are better termed **co-funders** rather than giving groups as defined in this study and do not make up part of this report.



## Appendix C: Survey participants: Giving groups, Host organisations and Charities

Giving groups	Hosts organisations	Charities*
<ul style="list-style-type: none"> <li>• 10x10 Philanthropy</li> <li>• 100 Women</li> <li>• ACT of Women Giving</li> <li>• Awesome Foundation Adelaide</li> <li>• FED Collective</li> <li>• Impact100 Fremantle</li> <li>• Impact100 Hobart</li> <li>• Impact100 Melbourne</li> <li>• Impact100 SA</li> <li>• Impact100 Sydney North</li> <li>• Impact100 WA</li> <li>• Mangkaja Circle of Friends</li> <li>• Melbourne Women's Fund</li> <li>• Meridian Global Foundation</li> <li>• The Funding Network Australia</li> <li>• The Channel</li> <li>• Women &amp; Change</li> </ul>	<ul style="list-style-type: none"> <li>• Australian Communities Foundation</li> <li>• Fremantle Foundation</li> <li>• Geelong Community Foundation</li> <li>• Lord Mayor's Charitable Foundation</li> <li>• MyGivingCircle.org</li> <li>• National Foundation for Australian Women</li> <li>• Sydney Community Foundation</li> </ul>	<ul style="list-style-type: none"> <li>• Agelink Theatre Inc</li> <li>• Australian K</li> <li>• Batyr</li> <li>• Birthing Kit Foundation (Aust)</li> <li>• CORES</li> <li>• Dirty Feet</li> <li>• Edmund Rice Camps WA</li> <li>• Edventures WA Inc</li> <li>• e.motion21</li> <li>• EON Benevolent Fund</li> <li>• Girls from Oz Ltd</li> <li>• Global Sisters</li> <li>• Growing Change</li> <li>• Hello Sunday Morning</li> <li>• Holy Fools Inc</li> <li>• Kalparrin</li> <li>• McAuley Community Services for Women</li> <li>• Raising Literacy Australia</li> <li>• Sensorium Theatre Inc</li> <li>• The Footpath Library</li> <li>• The Social Outfit</li> <li>• Top Blokes Foundation</li> </ul>

\*Two charities that completed the survey chose not to identify themselves

## Appendix D: The Funding Network business community partnership program



THE FUNDING NETWORK  
AUSTRALIA

### SkillsFest 2016 Program Overview

Prepared by Prue Robson, The Funding Network Monday, 19 September 2016

#### Overview

SkillsFest is a pilot, skilled volunteering, program from The Funding Network (TFN) and AMP Foundation. The initiative brings together AMP employees, with specialist knowledge and expertise, to work with social enterprises (TFN alumni) on an identified project for a defined period.

AMP volunteers are matched to projects according to their interests, skills and experience. Volunteers and social enterprises meet face-to-face to kick off the projects, learn more about the challenges of working in a grass roots charity and how to deliver valuable outcomes given the time and resource constraints.

Project teams are then expected to manage the design and delivery of the project themselves, with support from the AMP and TFN representatives if required.

All projects are to be delivered within an eight week timeframe, unless there are exceptional circumstances, in which case additional time has to be agreed between both parties.

#### Program management

Both AMP and TFN appointed a specific program manager to work on developing all materials, such as the project brief, skills matrix and internal communications program to attract volunteers. TFN developed a program plan, timeline and budget and managed all meetings with AMP to ensure clear expectations and the required attention to detail given the many program elements.

The AMP program manager is the key liaison for all volunteers, while TFN has been responsible for any contact with alumni. Both program managers have been actively involved in briefing participants to manage expectations and carefully match capabilities. The program managers will also be checking in during the project and providing ad hoc support throughout.

Project teams have been encouraged to take a pragmatic approach to project design and delivery. The emphasis is on delivering 2-3, really useful outcomes, rather than trying to do everything. Teams are expected to share their expertise, communicate regularly and ensure a clear handover is in place at the end of the project.

#### Results to date

- 22 TFN NSW alumni participating
- Over 60 AMP volunteers
- Projects vary from succession planning to advice on the launch of a cool drinks and icy pole business in Katherine, NT
- Kick-off event held last week, Wednesday, 14 September, with TFN alumni and volunteers getting together and projects off to a good start, and
- Final results will be known mid December when projects have been delivered.

## Appendix E: Typical Australian Impact100 Set-up Year 1 Cost

Typical Impact100 Setup Costs	
Logo and website development	\$5,500
Website hosting (annual fee)	\$1,300
Printing	\$700
Legal costs – Constitution	\$4,200
Australian Communities Foundation (ACF) annual fee	\$2,000 approx.
ACF minimum retained sub-fund requirement	\$20,000
<b>Total</b>	<b>\$33,700</b>

- Banks, such as Westpac Community Solutions, offer no-fee accounts
- Launch events can often be off-set through collaboration or sponsorship, and
- Grant Awards dinner is cost-neutral where the ticket price covers costs.

## Appendix F: Private Ancillary Funds (PAFs) and collective giving groups

### Private Ancillary Funds (PAFs)

PAFs are a so called 'Item 2' deductible gift recipient (DGR) and can only give to 'Item 1' DGRs, such as welfare, environmental and arts DGRs. Community foundations do not have a DGR category of their own, instead they generally operate a public ancillary fund, which is also an 'Item 2' DGR and therefore cannot receive a donation from a PAF.

If PAFs could give to community foundations, this would open a whole new source of funding for collective giving groups – there are over 1,400 PAFs in Australia, and they gave over \$300 million in 2013-14. These funds could be used for a variety of purposes, such as:

- providing funding to support start-ups and potentially accelerate the rate new collective giving groups are forming
- providing capacity building grants to build ongoing sustainability, and
- increasing the level of donations made to collective giving groups, for example through 'matching initiatives' where a PAF agrees to donate a certain amount to a giving circle provided it is 'matched' by smaller donors.

Philanthropy Australia has recommended the Australian Government introduce a DGR category for community foundations within Division 30 of the *Income Tax Assessment Act 1997 (Cth)*, enabling collective giving groups hosted by community foundations to receive donations from PAFs. See: <https://probonoaustralia.com.au/news/2016/10/dgr-status-community-foundations-critical-reform-grow-philanthropy/>.

## Appendix G: Potential future resources and mechanisms to facilitate the functioning of collective giving groups in Australia

### Collective Giving Support Activities

- actively promote and support the development of new collective giving groups
- form a national network/register of collective giving leaders and initiatives, providing inspiring examples, advice and sharing resources
- respond to the challenges and barriers of growth of collective giving in Australia such as:
  - negotiating the philanthropic environment
  - creating the ideal organisational structure
  - collective negotiation with host organisations
  - assisting with deductible gift recipient status
- provide a mentoring service
- lead private partnerships that would be able to support ease of formation and management of groups, such as IT companies helping with the development of an online portal, webbuilders, etc.
- manage a national online donations portal
- help community foundations and other community capacity building organisations to utilise the theory of collective giving
- develop free start-up resources (starter kits, etc.)
- develop strategies to encourage collective giving in a workplace giving context and in regional and rural communities
- curate a national conference
- supporting donor recruitment on a national basis
- facilitating capacity building of groups across life-span
- assist in the measurement of the impact
- develop a means of acknowledging and celebrating successful leaders, volunteers and effective models of collective giving
- research and publications
- encourage main stream media coverage of impact, and
- administer government support.

### National Portal for Collective Giving

A national portal specifically designed to support collective giving would offer:

- a consistent low cost alternative of administering donations
- no requirement for a minimum balance
- support promotion and marketing exercises
- tax deductibility to donors
- tax deductibility to private ancillary funds
- live donor information to giving groups
- flexible grant-making arrangements, and
- software licenses overseas to support its sustainability.

Creative Partnerships Australia  
ABN: 88 072 479 835

Published by  
Creative Partnerships Australia  
Level 4, 2-4 Kavanagh Street  
Southbank VIC 3006  
July 2017