# The Evolution of Philanthropy

## Takeaways for Community Groups

by Kerry Murphy



Philanthropy is changing. One change is that there are fewer Andrew Carnegies spreading vast sums around libraries, colleges, music schools, and hospitals. Today both large foundations and individuals of modest means are pooling resources for the greatest impact in a targeted area of need.

A second change is that donors are demanding more proof of what their money has accomplished, forcing nonprofits and community groups to keep track of what works and to make hard decisions about what doesn't.<sup>1</sup>

A third change is that children are getting involved younger, fulfilling graduation requirements with work in a food kitchen, for instance, or donating profits from a lemonade stand to help inner-city youth study marine education.<sup>2</sup>

A fourth change is how volunteers want to contribute their energy. Men who once did the heavy physical work for rummage sales are more likely to be offering their professional talents through an alumni outreach—with experienced marketers, for example, teaching a nonprofit's staff new ways to reach potential clients and donors. Similarly, women who once organized bake sales may now volunteer strategy skills to help a homeless shelter create a long-range plan for moving clients to permanent housing. And a corollary to that change is the recent phenomenon of *virtual volunteering*, which may allow a busy information technology professional, for example, to work remotely through the Internet to help a community group's staff to fix a computer problem or update a web site.

As philanthropy changes, nonprofits that adapt are likely to reap advantages that others don't.

#### Targeting

Donors are increasingly using a targeted approach. In the case of smaller foundations and ordinary donors, targeting is often the result of personal history. Individuals may set up a foundation to fight a familial dis-



Illustration: iStockphoto

ease or to provide youth with opportunities they themselves once needed.

Consider the founder of Girls on the Run, a nonprofit that encourages "preteen girls to develop self-respect and healthy lifestyles through running."<sup>3</sup> Molly Barker started Girls on the Run for personal reasons. When she was 15, she felt trapped in what she calls the "girl box." The standard of beauty was limited, and Barker resisted being boxed in. She began running, which gave her self-confidence and a lasting appreciation for a healthy lifestyle. Her nonprofit grew out of a wish to help girls build self-esteem and enhance their social, physical, and mental health. Although established nonprofits in a given field may feel frustrated by this trend, most recognize the power of the personal. Some respond by partnering. Groups joinharness personal motivations by seeking new ways to identify fellow travelers—buying the mailing list of a similar organization is only the beginning.

### Giving circles typically are groups of professionals who gather to research charitable opportunities, identify common interests, and choose beneficiaries.

ing forces with Girls on the Run, for example, include the President's Council on Physical Fitness and the North Carolina Conference for Women. Other nonprofits Nonprofits also are reaching out to *giv-ing circles*. Giving circles typically are groups of professionals who gather to research charitable opportunities, identify common

interests, and choose beneficiaries. They get personal satisfaction from conducting research with likeminded, thoughtful people and knowing that their strength in numbers provides a larger philanthropic benefit. According to the Forum of Regional Associations of Grant Makers Groups, giving circles currently involve 12,000 people. In 2006 alone, they provided \$13 million for community needs.<sup>4</sup>

Members of Soroptomist International function similarly. In New England, the women professionals in Soroptomists combine community service with career networking. Gathering at least monthly, they share ideas and resources for serving local underprivileged women. They have evolved over 80 years from bake sales to offering legal advice, design expertise for homeless shelters, and other services. Like giving circle participants, Soroptomists take dual satisfaction from building friendships while increasing their philanthropy.

Giving circles and professional groups like Soroptomists frequently invite nonprofits to give presentations on their work and perhaps reach new benefactors.

#### Measuring

The growing importance of measuring results may be seen indirectly in the number of organizations that have sprung up to help nonprofits do just that. According to its web site, New York's TCC Group develops "strategies and programs that enhance the efficiency and effectiveness of nonprofit organizations, philanthropies, and corporate citizenship programs to achieve social impact."

Likewise, the Cambridge-based Center for Effective Philanthropy (CEP) offers "management and governance tools to define, assess, and improve overall foundation performance." CEP's assistance with evidencebased assessments of the Vermont Community Foundation's success, for example, refined that nonprofit's strategizing, says VCF chief executive officer Brian Byrnes.

The United Way of Massachusetts Bay (UWBM) is an example of a donor organization demanding measurable outcomes from the agencies it supports. Until UWMB brought in evaluation experts and launched Impact Councils, its housing agencies had 360 metrics, making the task of assessing success impossible. Now they have six. Jeff Hayward, UWMB senior vice president of community impact, says that the focus on metrics "drives the agencies crazy," but they admit "it guarantees a better product in the end."

#### **Starting Young**

Although children have long been encouraged to collect pennies for UNICEF at Halloween or donate to overseas religious missions, there is a new understanding that the satisfaction of seeing local results can help create a lifetime philanthropist.

Consider the web site of Youth in Philanthropy, which gives students a chance to communicate with other young people about their local outreach efforts. A 13ergy in scout troops, schools, colleges, and churches often find that, beyond getting help on a particular activity, they have attracted long-term support from parents and have secured students' dedication into adulthood.

#### **Using Professional Skills**

A Massachusetts nonprofit, the Jericho Road Project, was launched in 2003 to test another philanthropic approach: tapping the professional skills in one community to assist nonprofits in a community having greater needs.

In its first initiative, the group linked professionals in the affluent suburban town of Concord to nonprofit groups in Lowell, a former mill town and home to succeeding waves of immigrants. The focus was on building the economic strength of individuals and groups in Lowell.

Jericho Road offered experienced professionals for such activities as strategic planning, grant applications, publicity, capacity building for staff, web-site construc-

Nonprofits that tap the youthful energy in scout troops, schools, colleges, and churches often find that, beyond getting help on a particular activity, they create lifetime philanthropists.

year-old who works with Crossroads Youth Center in Saco, Maine, writes, "I visit primary schools and speak about bullying prevention and my experiences about being bullied, and how I worked at the state level to help pass an anti-bully bill." On the web site for a similar group, Youth Action Net, a student documents 36 hours spent serving women and their families at Rosie's Place, a homeless shelter in Boston," and "community service at Needham Community Council."

Nonprofits that tap the youthful en-

tion, small business assistance, and more. Many nonprofits responded. The United Teen Equality Center, for example, received free help from an architect who did the planning, design, and public-hearing testimony for UTEC's expansion into a larger building.

Jericho Road editors helped refine groups' grant applications, publicity, web content, and the like. Sophisticated nonprofits were more likely to make use of a service like editing. Groups for whom English is a second language tended to hold back,



In 2005, Jericho Road Project volunteer Paul Minor (in back row, with beard) contributed his architecture skills to the United Teen Equality Center in Lowell, Massachusetts, when it was planning an expansion.

perhaps because interactions were remote and relied heavily on e-mail and editing software—a learning experience for all concerned.

But although editing remotely helped some nonprofits more than others, Jericho Road executive director Dan Holin believes that, overall, virtual volunteering will grow. For volunteers who have time constraints, it is liberating. Already, he says, "Maybe 15 to 20 percent of our work is done that way."<sup>5</sup>

Jericho Road is now working to replicate the community-to-community, professional-skills model and hopes offer advice and support as it reaches new communities. Critical for success are (a) a strong base organization with plenty of volunteers (like a large church or service organization), (b) proximity to the town being assisted, and (c) that town's ability to provide a critical mass of professional nonprofit infrastructure.

#### **Philanthropy for Everyone**

As philanthropy continues to evolve, the challenge for nonprofits is to keep up—and to find new ways to reach donors and volunteers. Personal motivators will be key. An individual will no longer respond to the community service club that says, "The old guard has been running this fund-raiser for 20 years; now it's your turn." Groups that identify the issues and activities that energize individual volunteers will prove the truth of the old refrain, "One and one and 50 make a million."

For volunteers who have time constraints, virtual volunteering is liberating. Already, Holin says, "Maybe 15 to 20 percent of our work is done that way."

**Kerry Murphy** *is a freelance writer based in San Francisco.* 

#### Endnotes

<sup>1</sup>See http://www.effectivephilanthropy.org.

<sup>2</sup>Peter Voskamp, "Some Cottagers Named Cassidy, *The Block Island Times*, August 6, 2007, http://www.block-islandtimes.com/articles/2007/08/06/news/news5.txt.

- <sup>3</sup> See http://www.girlsontherun.org.
- <sup>4</sup> See http://www.givingforum.org/s\_forum/index.asp.
  <sup>5</sup> Don Aucoin, "A Web of Volunteers," *The Boston*

Globe, September 15, 2007.

This Communities & Banking article is copyrighted by the Federal Reserve Bank of Boston. The views expressed are not necessarily those of the Bank or the Federal Reserve System. Copies of articles may be downloaded without cost at www.bos.frb.org/ commdev/c&b/index.htm.