

WHAT IS My Giving Style?

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Two Considerations: Visibility & Impact

If you were to ask a donor, “What type of donor are you,” he or she might pause and respond with another question: “What kinds of donors are there?”

A number of observers of philanthropy have written about different types of philanthropists. While categorizing donors into types may be useful, most philanthropists’ gifts will fall along a spectrum of giving styles. Donors may find themselves pulled to supporting direct services and write a check to an organization whose sole purpose is to feed the hungry. Later, they may be moved to make a gift that addresses the root causes of hunger, such as the lack of jobs or a social safety net.

This guide is not intended to peg philanthropists to any fixed point on a giving spectrum, but rather to identify two (among many) considerations that shape a philanthropist’s giving style. The first is the degree of *visibility* a donor wants (or does not want): at one end of the spectrum is the anonymous giver, and on the other end is the public advocate. The second consideration is the level of *impact* the donor desires: at one end is the giver who is interested in providing immediate, direct relief, and at the other is the philanthropist committed to long-term social change.

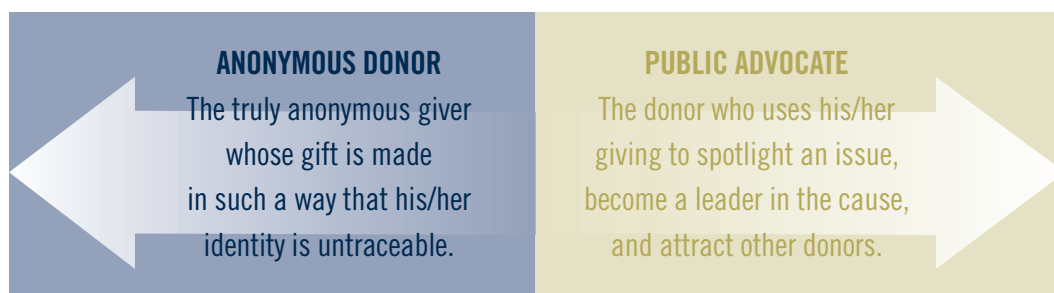
These two considerations—visibility and impact are often the first decisions made by philanthropists when contemplating a major gift. As this guide suggests, there are many different ways to give, and gifts at any point along these spectra can be effective. What is most important is that donors discover the giving style that best reflects their values, respects their wishes, and inspires continued giving.

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the giving style
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to give more.

The Visibility Spectrum

On this spectrum, the donors at each extreme are the easiest to categorize.



While there are good reasons to give anonymously and other good reasons to be very public about one's giving, most donors exist somewhere in between. They state their goals, announce their grants, and might acknowledge their support for specific causes, but they do not seek a high profile or activist role. Donors may also employ both strategies—anonymous and public giving—for different types of gifts and at various points in their philanthropic journey.

Anonymous giving

Some people give anonymously for moral or religious reasons. For example, twelfth-century philosopher Moses Maimonides' reading of Jewish law led him to believe that anonymous giving, where the donor and recipient do not know the identity of each other, is superior to giving when the identities are known. The benefits of anonymous giving, he argued, include protecting the pride of the recipient, and ensuring that the giver's motives are pure.

Anonymous giving also allows a donor the freedom to support controversial organizations that might align with a giving strategy. For example, sizable gifts to organizations that are generally funded by those on the far left or far right side of the political spectrum may lead observers to believe incorrectly that the donor holds a certain political viewpoint. Given the easy internet access to information about charitable giving, a controversial gift like this might have personal or professional repercussions.

Motivations for anonymous giving generally fall into three categories:

PRIVACY	PERSONAL INTEGRITY	INDEPENDENCE
<p><i>“Because I’m anonymous in my giving, my mailbox isn’t filled with solicitations every day.”</i></p> <p><i>“I’m not suspicious that people are only trying to talk to me because they know I make big gifts.”</i></p> <p><i>“I don’t want people treating me differently—I’m just a regular person.”</i></p>	<p><i>“I don’t want people to think that I give because I want recognition.”</i></p> <p><i>“In this economy, I don’t want to be showy about any expenditure, even philanthropy.”</i></p> <p><i>“I feel very proud and happy knowing that I did this good thing and that nobody else knows.”</i></p>	<p><i>“I want to give my money without worrying about what other people will interpret or assume about me.”</i></p> <p><i>“I don’t want to be type-cast or limited to being associated with a single issue or organization.”</i></p> <p><i>“I don’t want to have to explain to anyone why I support this cause.”</i></p>

Public Giving

Highly visible philanthropy can also be very effective, and lending one’s name to a cause can at times be more valuable than the monetary gift, as illustrated in the following case study which is a composite of donor experiences.

Whether a donor gives anonymously or publicly depends on a variety of personal factors. Many donors will include both these strategies in their philanthropic portfolio. Below are different ways to reach one’s goal of anonymity or visibility.

CASE STUDY:

Earl and Linda Masterson Family Foundation

Linda Masterson is the president of her family's foundation and has been leading the charge to make its giving more effective. The foundation has given away \$1 million per year for the last five years, mostly in the area of domestic violence. The funds have supported a shelter and counseling services, and Masterson is pleased with how her family's money has improved the lives of many women.

"When I go into the shelter and know that my family's generosity has provided a sanctuary for these women, I am so proud," she said. "I can see with my own eyes the beds that we purchased, the curtains, even the games for the children. When some of these women and children walk by, I know that I have saved a life. Nothing beats that feeling."

Masterson asked the shelter to keep the foundation's donations confidential because public displays embarrass her. While she is known as a woman of means, she is much more comfortable with perpetuating the image of "everyday mom" rather than wealthy philanthropist. At one point the shelter offered to call a new playground "Linda's place," but even that seemed too much to her.

However, as Masterson was searching for new ways to make a difference in the area of domestic violence, she learned that taking a public stand could be beneficial to the cause. She was told by the shelter's staff that their greatest need was an outreach worker who would inform non-English speaking immigrants of the resources at the shelter. She learned that immigrant women often did not go to the police for help and that special, targeted communications were needed to reach this population.

As the daughter of immigrants, Masterson felt very strongly that immigrant women should be able to access domestic violence services, so she made a gift to the shelter and started talking to her friends about the need to support this work. She discovered that some of her donor friends did not want to be associated with organizations that provided services to immigrants, for fear that they would be seen as helping people who might be in the country illegally.

It was this fear of other donors to be associated with a potentially controversial topic that made Masterson more willing to support the cause publicly. She was well known and admired in her community, and she knew that if she lent her name to the cause of battered immigrant women, people in her social circle would pay attention.

As a result, she decided to make her first public gift: a \$50,000 leadership grant that launched the shelter's immigrant outreach program. At the announcement ceremony, Masterson spoke about the immigrant experience of her family and of the need of all women to escape violent situations. The friends and colleagues who attended the event were touched by her willingness to take such a public stand and they matched her gift that very day.

The shelter staff credit Masterson with putting the issue of immigrant domestic violence on the map. Since her initial grant to this project, the shelter has received more funding to help immigrant women than they ever thought possible.

How to give anonymously

Anonymous giving in the U.S. is often done through donor-advised funds, as these gifts are not reported on the donor's tax return. Donor-advised funds are charitable giving vehicles that donors may set up with a third party to administer their giving. Because of the reporting requirements around donor-advised funds, donors are able to maintain anonymity if they so choose. In contrast, gifts made from a foundation are always listed on the foundation's tax return and publicly available.

How to give as a public advocate

Giving as a public advocate can be done through a foundation, donor-advised fund, or checkbook. The vehicle is less important than the target of the gift. The donor will champion the cause that he or she is funding and lend their credibility to the issue. Donors that take this approach often look for media and speaking opportunities, ways to engage other donors, and otherwise look to influence the public debate.

The Impact Spectrum

This spectrum reflects the range of desired impact of funding, in terms of depth, duration, and immediacy. It addresses a key question a donor must consider: "At what point in the problem do I want to intervene?"

DIRECT RELIEF

Goal: Giving provides immediate, direct relief, but benefit may be short in duration and does not address root causes.

Examples of recipients: Food banks, clinics, and shelters.

Success measured by: Number of meals served, vaccinations provided, or houses built.

Rationale: Recognizes that underlying issues cause these societal problems, but responds by saying, "Someone has to stop the bleeding."

SYSTEMS CHANGE

Goal: Giving seeks to address the systemic causes of problems to solve or begin offering long-term solutions.

Examples of recipients: Think tanks, universities, and public advocacy organizations.

Success measured by: Breakthrough studies and analysis, medical and science advances, public support for new policies, and positive policy change.

Rationale: Not seeking immediate impact. Acknowledges that profound change involves fundamental social reforms and sustained attention over a long period of time.

At any point in this journey, a donor may move from one point on the spectrum to another for various reasons.



Donors may become discouraged that the same problems continue to persist with no apparent end in sight and start to question the long-term impact of their philanthropy. This “donor fatigue” might motivate them to move from supporting projects with a direct relief focus to those that have a longer timeline but the potential to achieve deeper, more lasting change.



In other cases, a donor who has been supporting efforts to bring broad-scale systems change may shift to supporting direct, immediate relief for several reasons. Donors may get discouraged by the magnitude of change necessary to solve a problem, or come to believe that the resources required to effect such a change are too far beyond their capacity to make a difference. The lack of progress may prove frustrating and emotionally unsatisfying to the donor. Such a donor may begin to support direct relief as a way to provide support closer to the “end user” or direct beneficiary of the gift. For instance, a donor who had long supported public education reform efforts shifted

to providing more direct support to students by funding a range of services and resources. This new approach also reflected his belief in the ability of individual students to succeed despite the obstacles within the education system.

The case study on the next page, a composite of donor experiences, outlines one such example of this journey.

Most of the problems donors seek

to address with their gifts
are big enough and complex enough
that support can make a difference
at any and every point
along the spectrum.

CASE STUDY:

The Ernestine McDowell Foundation

Ernestine McDowell never really considered herself a philanthropist. Although she had significant funds in her foundation, she only gave to organizations when asked by friends and co-workers. She gave primarily at gala dinners, through annual fund drives, and occasionally for capital campaigns. Her giving was truly responsive to those nonprofits that she came across in her community. She never considered creating a strategic plan for her philanthropy.

And she liked it this way. She enjoyed making gifts to organizations that she understood. For example, she could see the immediate impact of her donation to the homeless shelter—the new wing held 50 beds! She enjoyed learning how her generosity was helping the less fortunate, especially in such bad economic times.

However, when McDowell retired and decided to dedicate all her time to her philanthropy, she reexamined her giving. As she got older, she became more interested in promoting the kind of change that would endure beyond her lifetime. After 25 years of funding the same organizations and seeing no reduction in the needs of their clients, she wanted to direct her remaining philanthropy toward addressing the causes of this major societal problem.

For many years she had funded a free clinic. But she saw that this support had no impact on the alarming rise in the number of children with diabetes. McDowell decided to commit to reducing this number by ending her funding of the clinic and instead directing her giving to an advocacy organization that would encourage healthy eating by changing public policy.

Her first step was to contact the free clinic and ask for a meeting with the executive director in order to explain that she would not be making her annual gift this year. McDowell had been a major donor and wanted to make sure the clinic had as much time as possible to adjust to the loss of her support.

However, she was pleasantly surprised to learn that she would be able to continue funding the clinic while also promoting more profound change. The executive director informed her that in addition to providing direct services, the clinic also advocated for policies to improve the health of low-income individuals. The clinic had wanted to launch an advocacy project aimed at reducing the incidence of type 2 diabetes in children, but could not find a funder to support these efforts.

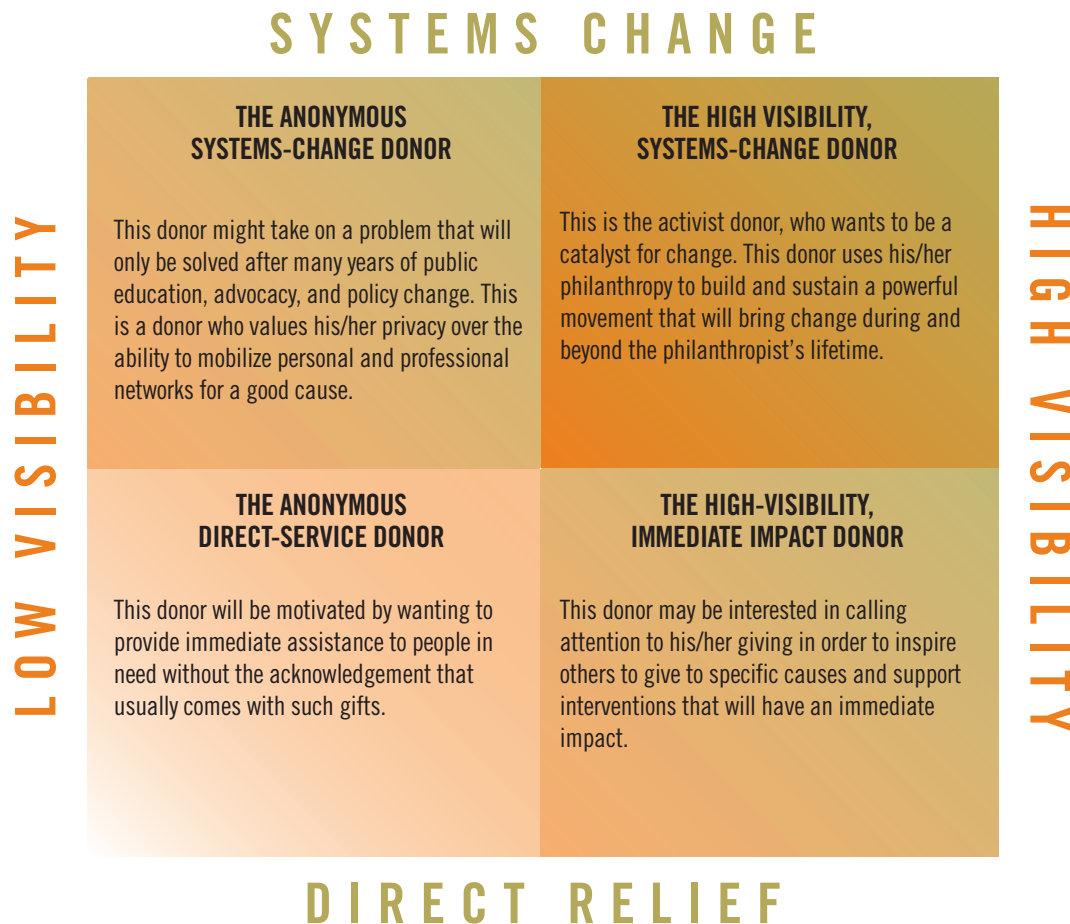
McDowell was very excited about this new possibility, but did not immediately make a pledge of funding. Instead, she educated herself about diabetes and learned that one cause, obesity, is exacerbated by many different factors, including lack of access to fresh and affordable food, availability of safe places for outdoor play, and even the specific additives and ingredients in fast food.

In the end, she decided to fund a variety of organizations (including the free clinic) that tackled the problem of diabetes from many different angles—land use reform to provide more green space, agricultural legislation, and public safety measures designed to allow young people to safely walk in their neighborhoods.

McDowell is not expecting to see changes right away. But she knows that she has supported programs that will be continued through the generosity of others, and that in time, very real and lasting change will occur.

The Intersection Of The Two Spectrums

It is rare for a donor to exist solely within one type of giving style. Donors will vary their giving styles at different junctures of their philanthropic journey, or even among issues or causes. Below is a diagram that maps the two approaches discussed.



Visibility and impact are two concerns that frequently arise among new donors and with donors who are looking to change how they give. Ultimately, a giving style that aligns with a donor's values and which successfully engages a donor's interests will prove the most rewarding.