BARRON'S

FEATURE

Grass-Roots 'Giving Circles' Are the Fast Track of Philanthropy

The do-it-yourself groups, which are 84% led by women, are mostly local endeavors.

By Andy Serwer
April 2, 2024 12:00 pm ET

Giving circles are growing like weeds, the survey found.
DREAMSTIME

If you haven't been invited to join a giving circle, be patient: There is a good chance the call will come soon. Or you could start one yourself.

In case you haven't heard of them, giving circles are voluntary organizations of like-minded people who band together to pool their philanthropy. New research out today shows that these grass-roots organizations are growing like weeds.

The study, "In Abundance: An Analysis of the Thriving Landscape of Collective Giving in the U.S.," by Adriana Loson-Ceballos and Michael D. Layton, was commissioned by Philanthropy Together, a nonprofit that supports giving circles. It is funded in part by the Bill & Melinda Gates Foundation, Fidelity Charitable Catalyst Fund, and the W.K. Kellogg Foundation.

It may sound like small-potatoes, DIY stuff, but the numbers are beginning to add up. The survey, done in partnership with researchers at the Dorothy A. Johnson Center for Philanthropy at Grand Valley State University and Colmena-Consulting, found that in the U.S. alone, there are now nearly 4,000 such groups. They include more than 370,000 philanthropists, who have donated $3.1 billion.

Growth has been significant. A similar study in 2017 found that 1,600 groups with 150,000 philanthropists had distributed approximately $1.29 billion. "The movement is now on a trajectory to double again in the next five years," the latest survey found.

"Collective giving is a force that's transforming philanthropy and that's changing the context in which front-line leaders are fund-raising, " Loson-Ceballos tells *Barron's*. "What's really impressive about this is that *everyone* is doing this; it isn't associated with one party. It's political in the sense that people are going out into the world and trying to change it, but it isn't necessarily party aligned."

In a Stanford Social Innovation Review article, the philanthropist and author Laura Arrillaga-Andreessen wrote that "Giving circles are formed by former classmates, members of the same place of worship, or simply friends, work colleagues, or neighbors who like spending time together but want to do that more productively. Participants span all ages, professions, religions, ethnicities, and income levels."

Arrillaga-Andreessen, daughter of the late billionaire Silicon Valley real estate developer John Arrillaga and the wife of power venture capitalist Marc Andreessen, also noted that "...giving circles all share the same philosophy—that by working collectively, donors can do more with less and find new ways to give more strategically and accountably, and with measurable impact. "

The new study shows that giving circles, which are 84% women-led, are mostly local endeavors. Some 93% draw members from a single locale or state, and 77% of respondents reported that "their group prioritized organizations with leadership that reflects the community in which they serve."

Significantly, the study's authors report, participants in giving circles say that engaging in collective giving increases their mental well-being, at a time when isolation is increasingly seen as a problem in America.

"This research shows that participation in giving circles can help bridge the divides that are leading to increased anxiety, anger, and loneliness plaguing so many Americans," said Sara Lomelin, CEO of Philanthropy Together. "Being part of a giving circle can change how people see things, making them feel more connected and purposeful. Giving circles' popularity is booming, which is great news because it means more people can have healthy conversations with people about dissenting views, making our country better."

It sounds as if by helping others, you could help yourself, too.

Write to Andy Serwer at andy.serwer@barrons.com and subscribe to his At Barron's podcast.

MOST POPULAR TODAY

DJT Stock Rises. Trump’s Stake in Truth Social Parent Gains in Value.

Trump Media Keeps Sliding, but Short Sellers Aren’t Winning

Nvidia Stock Stutters. It Isn't a Demand Problem.

Bitcoin Tumbles Below $70,000. It Isn’t Another Crypto Correction.