

Should you join a giving circle?

By [Randi Weaver](#) Wednesday, 5 February 2014 at 09:49

www.everyinvestor.co.uk/analysis/2014/02/05/join-giving-circle-7307/

Joining or creating a Giving Circle enables you to socialise your giving by linking you with like-minded donors in order to choose and support causes of mutual interest.

In last month's [philanthropy column](#) the Giving Circle channel was introduced as one way to super-charge your charitable giving in 2014.

This month, we look closer at Giving Circles and how joining one can make donating to charity a team sport with winning results for the beneficiaries and Circle members.

What is a Giving Circle?

A Giving Circle is a group of people who come together to collectively donate money and time. There are usually both social and educational interactions associated with the giving, which Circle members judge to be integral to the process and the overall success of the Circle. The structure can be informal or formal and membership can range from a few participants to several hundred.

Giving Circles have emerged in the last decade as a growing and significant philanthropic trend globally among donors of all wealth levels and backgrounds. While being presented as new, they are actually built on old traditions dating back hundreds of years to mutual aid societies.

Why a Giving Circle?

Some traditional donors are discouraged by the considerable time and expertise required to review and select beneficiaries and the administration often required throughout the charitable giving process. Others may be reluctant to stand alone in making their selections and in interfacing with the beneficiaries, whether directly or through a philanthropy adviser or other trusted adviser.

A Giving Circle facilitates the review and selection process by making it a shared responsibility at every stage. It has the added benefit of having a built-in multiplier effect. A Circle is able to make a much larger donation than any one donor may be willing or able to make on his own.

Structured as a team-based exercise, a Giving Circle increases both confidence in donating and also the fun factor. In addition, Giving Circles are known for their effectiveness in bringing together established donors and new philanthropists, and each group brings something valuable to the table.

Giving Circles in the UK

Giving Circles are more prevalent in the [USA](#) but they exist and are on the increase in the UK. The first recorded Giving Circle in the UK was The Kew Giving Circle in Kew, south west London which started meeting in January 1999 and is reportedly still active. Circle members are a group of parents whose children attended the same primary school and who all live near one another. They take it in turns to host the monthly gathering.

[The Funding Network](#) is the largest and first open giving circle in the UK. It is a charity that has run Dragons' Den-style and other events to bring together potential donors and specific charities to fund positive social change. It was established in 2002 and by 2012, it had raised over £4m

from over 1,600 unique donors for almost 600 projects across the globe. The Funding Network helpfully defines these categories of Giving Circles.

Types of Giving Circles

- Event-based – networks that draw people together for charitable events and giving
- Community-based – a group of like-minded people who give to local causes
- Interest-based – give to a specific cause
- Project-based – micro-trusts or 'giving clubs' in which a group of people come together to focus on one project and then disband
- In-house corporate – networks within companies that give often via CSR practices
- Social media networks – a flourishing trend of collective giving via online sites such as Facebook

Benefits of a Giving Circle

Research shows that Giving Circles influence members to:

- Give more (money and time)
- Give more strategically
- Support a wider range of causes, beneficiaries and geographies
- Be more knowledgeable about philanthropy and non-profit organisations
- Be more knowledgeable about problems in their community, region and globally

With solid benefits such as these, whether you are new to charitable giving, or simply want to try a new approach to donating in 2014, participatory philanthropy is well worth considering. It will also appeal if you are looking for a new group activity to arrange for friends and family, as a one-off or on an on-going basis.

So, consider socialising your giving and in so doing, pool both financial resources and opportunities for fun and learning. Giving Circles are team-based donating where everyone is a winner.