



LACUNA GIVING CIRCLE

KEY FINDING 2

Collective Giving Greatly Expands What Gets Funded

2. Collective Giving Greatly Expands What Gets Funded

This section analyzes how a focus on racial, ethnic, and gender equity has risen to the surface for many groups when it comes to their giving; explores the breadth of issues and populations supported by collective giving groups and the way it reflects a concerted effort to fund causes and organizations often overlooked by traditional philanthropy; and how that giving is happening in a primarily place-based way. Ultimately, the multifaceted impact of collective giving underscores its potential to empower marginalized communities and reshape the philanthropic landscape for the betterment of all.

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I'm happy to say that the majority of nonprofits we support are very small, grassroots nonprofits. **Many are people of color who usually get overlooked because they don't have the resources or skills needed to fill out fancy grant applications, yet they are still doing the hard work of service.** We support all sorts of issues, whatever appeals to our members because our belief is that everything is interconnected when it comes to the community.”

– Dyma AbuOleim,
[200 Muslim Women Who Care](#)



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As far as the groups that we've given to, we have been told a couple of times that **we've been the first philanthropic group to give to those organizations.** So, we weren't the last. That meant that it led to other gifts from different forms of philanthropy. For our members, part of what we've offered throughout the years is programming. We've put together workshops where we talk about different forms of self-care, or building confidence, or what does imposter syndrome look like? Many times, the value of our programming is simply being among peers, surrounded by acceptance and love, and being able to talk openly.”

– Rita de la Fuente,
[Latina Giving Circle](#)



2.1 Collective giving groups center equity when making funding decisions.

Collective giving groups' commitment to equity is longstanding, especially among groups organized by people of color. This commitment is fundamental to the collective giving movement, as 80% of all respondents to the member survey cited it as a primary motivation for their participation. While many collective giving groups orient their work toward advancing racial/ethnic and gender equity, other forms of equity, such as socio-economic and disability inclusion, are increasingly becoming recognized. Notably, 38% of groups prioritize funding communities disproportionately affected by inequitable systems, reflecting a commitment to addressing systemic disparities. Additionally, respondents highlighted the intersectionality of equity issues, with considerations for how different forms of marginalization intersect and impact communities.



In 2020, during the aftermath of George Floyd's murder, equity and justice became buzzwords. For our communities, they were never buzzwords. When equity and injustice became something that the foundation world decided to write papers on and make statements on, we had the advantage of having the SisterFund as well as a male version, the Ujima Legacy Fund. They came to us and said, 'What can we do?' We were in a position of power without even knowing it. We raised a million dollars to create a new organization, the Amandla Fund for Economic and Racial Justice."

- Jill C. Coleman, Endowment Chair and Past Chair, [SisterFund](#)



Groups are Committed to Racial/Ethnic and Gender Equity

A significant portion of collective giving groups (60%) reported an explicit commitment to addressing racial and ethnic equity as fundamental to their groups' approach to giving. This commitment manifests in various ways, with 46% of groups emphasizing the selection of recipients through a racial and ethnic lens, and 43% directing gifts towards addressing racial and ethnic inequities and injustices. Notably, the intersectionality of causes selected for funding further underscores the prioritization of racial equity considerations. For instance, among the 35% of groups that funded human rights issues, 81% focused on racial equity causes, reflecting a nuanced approach to addressing systemic disparities. Additionally, 40% of groups designed their collective giving processes explicitly to promote racial and ethnic equity and justice, further solidifying a commitment to equitable outcomes.

A notable proportion of collective giving groups (43%) intentionally incorporated gender equity into their giving approach, with 28% of groups applying a gender lens to recipient selection and 26% directing gifts towards addressing gender inequities and injustices. Moreover, 21% of groups designed their giving processes explicitly to promote gender equity and justice, highlighting a

multifaceted approach to fostering gender-inclusive outcomes. Further illustrating this commitment, 25% of groups primarily funded specific gender and sexual identities, and a significant majority (70%) of groups supporting human rights causes prioritized gender equity, indicating a concerted effort to address intersecting forms of marginalization and discrimination.

2.2 Collective giving groups give to community-based organizations.

Who collective giving groups fund are driven by a number of key factors. Collective giving groups fund local community-led and -driven projects. As seen in Table 1, 88% of leaders state that values and interest alignment is important to their giving. For 75% of groups, it was important to them that grantees served the communities from which members were drawn. Leadership is also important, with 77% emphasizing that leadership should reflect the community and 69% that leadership should be drawn from marginalized groups. More than half cited community feedback loops as important (67%) to their funding decisions. Eighty-three percent prioritized giving to organizations that actively support marginalized groups. Furthermore, a little over half (55%) sought out organizations with budgets smaller than \$1 million, acknowledging the potential for profound impact and growth within smaller organizations.

Table 1: Group Criteria For Selecting Potential Recipient Organizations

Criteria	Percentage
Alignment with our groups' values and/or areas of interest	88%
Support for marginalized groups	83%
Leadership that reflects the community served	77%
Same communities served from which our members are drawn	75%
Leadership from marginalized communities	69%
Community connections and/or feedback loops	67%
Budget smaller than \$1 million	55%
Opportunities for our members to engage and/or volunteer	36%

Because they fund through these criteria, collective giving groups are often the first funders of grassroots organizations and play a role in attracting other funders to recognize and support these groups. Elevating the visibility of their grantees, the researchers heard endless stories of how seed funding lent a higher level of credibility to a recipient organization, thus opening the door to funding opportunities from individuals and institutional donors.

Groups Support a Range of Issues, Populations, and Organizations

Collective giving organizations exhibit a diverse array of supported causes, reflecting a broad spectrum of philanthropic interests, bearing in mind that respondents had the option to select multiple choices. Group leaders were asked, “What are the main causes or issues that the collective giving organization supports?” and offered 15 specific causes and “Other.” Notably, 112 respondents chose “Other” causes, with nearly half focusing on specific issues of racial equity and social justice. Further insights into particular causes reveal nuanced giving strategies within each category. For instance, among groups funding community development, an equal percentage allocated resources to economic mobility, economic development, and leadership/capacity building. Meanwhile, within the human rights category, considerable attention was given to criminal justice reform and labor rights.

Tables 2 and 3, below, provide a contrast, rather than a direct comparison, between the funding priorities of collective giving groups and private, independent, and corporate foundations in the United States (including community foundations, women’s funds, and United Ways). The data for collective giving groups indicates whether the group supports a particular cause, without specifying grant amounts by cause. Conversely, foundations disclose grant amounts through IRS Form 990 filings, categorizing the data by causes. It is important to note that both types of donors share similar priorities in the same hierarchy, with comparable proportions for their top four priorities. However, the contrast lies in the support for human rights: while this cause ranks fifth among collective giving groups at 35%, it is positioned seventh among foundations, receiving only 16% of grant dollars — about half as much as what collective giving groups support. Of the 35% supporting human rights, 81% prioritized racial equity, 73% social rights, and 70% gender equity.

Table 2: Causes Supported by Collective Giving Groups

Groups supporting causes

Rank	Causes	% Groups
1	Human services	48%
2	Health	47%
3	Education	43%
4	Community development	35%
5	Human rights	35%

Source: Q28 group survey.

Table 3: Foundation Grants to Causes

Foundation grants to causes 2021

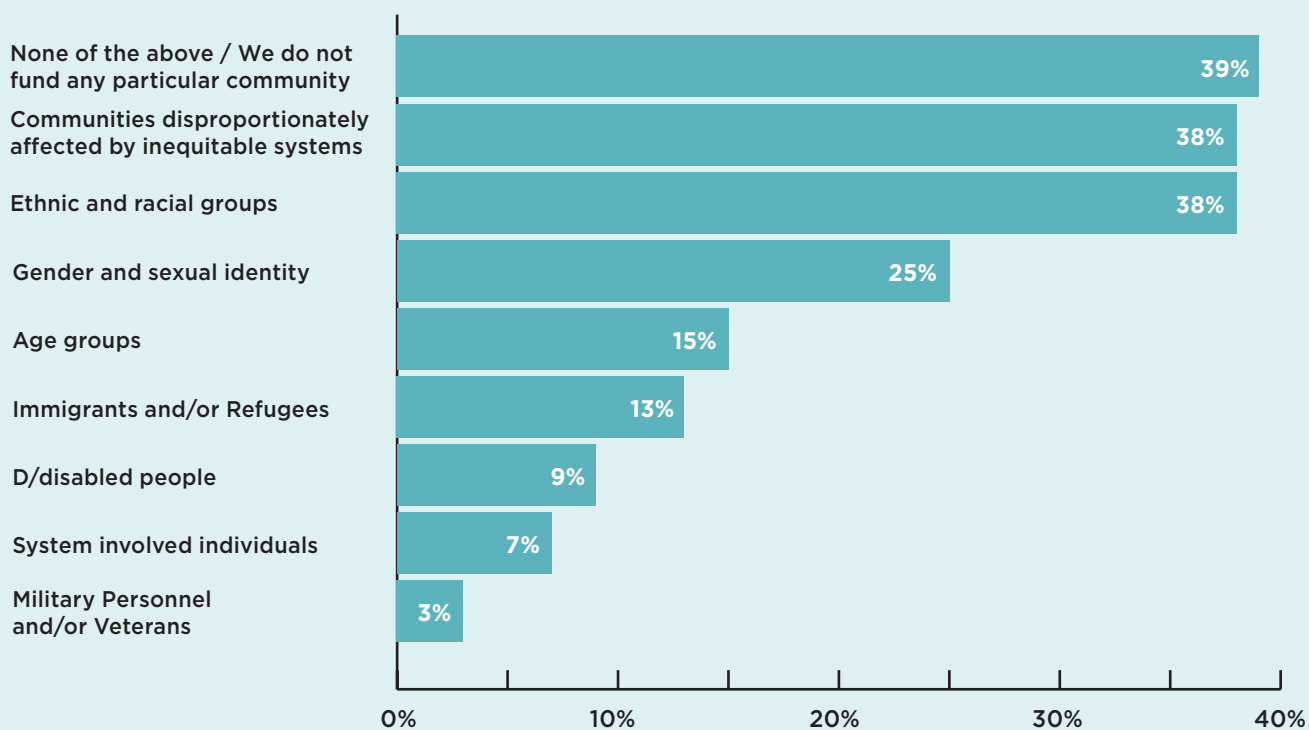
Rank	Causes	% Grant Dollars
1	Human services	48%
2	Health	44%
3	Education	41%
4	Community development	30%
7	Human rights	16%

Source: Foundation Directory Online (Data includes grants from private, independent, and corporate foundations, as well as public charities, such as community foundations and women’s funds).

Giving By and For Communities

In terms of funding, 61% of groups reported directing their giving towards specific communities. Among these communities, a focus on those disproportionately affected by inequitable systems and specific ethnic and racial groups stands out. As indicated in Table 4 on the following page, as the percentage of representation of people of color increases, so too does a group's propensity to financially support communities of color and those affected by inequitable systems. In other words, there is a strong leaning of funding "by and for communities," for instance Black giving circles giving to Black-led and -serving causes, Latinx giving circles giving to Latinx-led and -serving causes.

Figure 17: Communities or Groups Primarily Funded by Collective Giving Groups



Thirty-eight percent of all groups support communities disproportionately affected by inequitable systems with 50% of these groups composed of a majority of people of color compared to 16% of majority white groups who support these communities. And while an identical 38% of all groups support communities of ethnic and racial groups, 75% of these groups are composed only of a majority of people of color compared to only 8% of white majority groups. These findings underscore the transformative potential of collective giving in enabling more representative philanthropy, by and for community, and reshaping the philanthropic landscape to be more inclusive and equitable.

Table 4: Communities Supported Based on Collective Giving Group’s Racial Composition

What communities or groups of individuals does the collective giving group primarily fund? (Select all that apply).	Percent of Total	White Majority Groups	Racial Majority Other Than White
Communities disproportionately affected by inequitable systems	38%	16%	50%
Ethnic and racial groups	38%	8%	75%

In terms of demographic focus, of the 15% of groups targeting specific age groups, all prioritized children/youth, with 39% also supporting seniors. Regarding supported entities, nonprofit organizations 501(c)(3)s received support from the vast majority (95%) of groups, followed by informal groups/movement efforts (10%) and a range of other entities, including advocacy organizations, community funds, and social enterprises, each receiving support from 5% to 7% of groups. Focus group participants shared the impact and weight of this approach repeatedly.



The organizations that are funded by giving circles that are from the same ethnicity or identity view the support as a seal of approval or a level of trust. One of the grantees once said, **‘This grant from a giving circle has been a lot more important to me than a grant that was 10 times bigger coming from a large company. Why? Because this is coming from my community, from my people.’** He called me the day after he received the grant and he said, ‘I want to join the giving circle.’ Like that. I have many stories of nonprofit leaders that after receiving a grant from a giving circle, they want to be part of that community, also.”

– Sara Lomelin,
[Philanthropy Together](#)



[Collective giving] transcends the conventional transactional dynamics to establish a relationship that allows you to holistically help an organization. **Our approach is distinctive because many organizations of color seldom receive grants from those who look like them.** It is great to give money but there are other ways to support organizations. The influence we can lend, the connections we can facilitate — sometimes, those become game-changers for organizations.”

– Marsha Morgan,
[Community Investment Network](#)



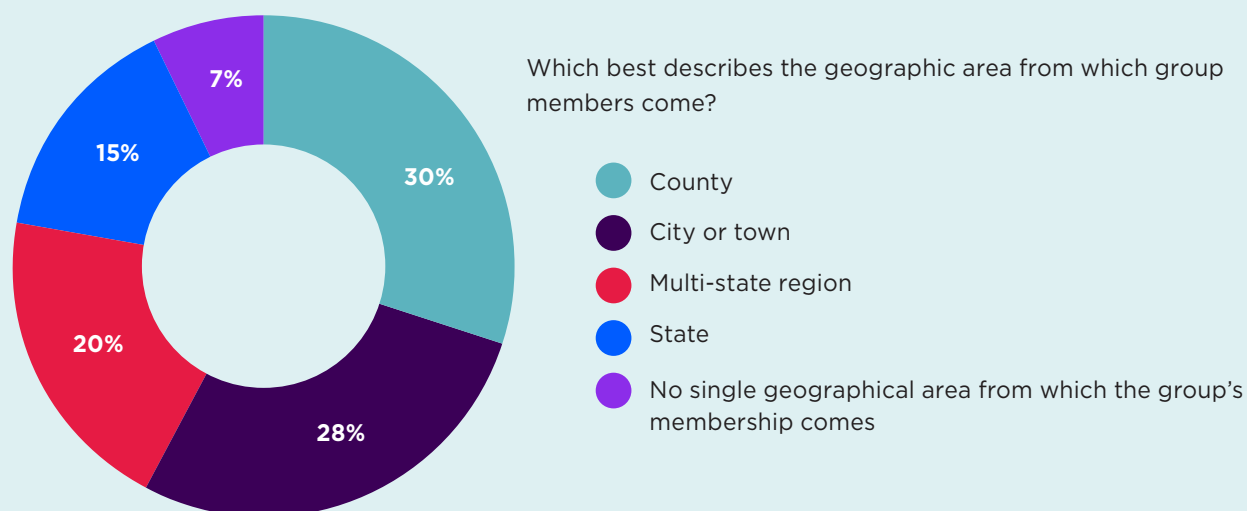
2.3 Collective giving is deeply invested in place-based philanthropy.

Because of the community-based focus of collective giving as a practice, there has been a strong bend toward local funding as seen in past research. With the onset of the COVID-19 pandemic, there was an increase in groups' ability to expand beyond their geography as a means to grow their groups or gather around an issue not defined by geography. However, this research continues to show a strong place-based focus as seen in the following numbers.

Geography of Members

The geographic scope of collective giving groups reveals a strong emphasis on local engagement and investment in community-based initiatives. Despite the availability of technologies like Zoom to connect people over distances, the vast majority (93%) drew members from a single locale or state.

Figure 18: Geographic Area From Which Members are Drawn



Geography of Funding

This localized approach is underscored by the observation that these groups often prioritize funding within their immediate community. Nearly three-quarters (70%) of leaders reported that their funds stay in their home state, and nearly half of all respondents (47%) reported making grants within the same city, town, or county. An additional 16% reported making grants in a multi-state area or region, with the bulk of those text responses referring to metropolitan areas, such as greater Washington, D.C. A small percentage also allocated funds at broader levels, with 5% focusing on the entire U.S. and 2% engaging in international funding. The alignment between the geographic origins of group members and the primary funding location focus underscores a

commitment to community-rooted involvement and community-driven solutions. This localized approach presents a compelling argument for the role of community foundations and women's funds in hosting and supporting these initiatives, given their intimate knowledge of local needs and networks at a time when many of their peers are embracing the ideals of community leadership and equity (Community Foundations Leading Change, 2021; Paarlberg, 2021; Wu, 2021).

