

Carnegie Medal of Philanthropy

Research on Philanthropists and Effective Giving

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Research Approach

The Carnegie Medal of Philanthropy commissioned Portland Communications to conduct research about perceptions of philanthropy and effective giving among target audiences.

The first phase of the research was an audit of the digital and social media landscape. This established a baseline of how philanthropy and effective giving are viewed.

The second phase focused on understanding the perceptions of professionals working in the philanthropy sector in the United States. This group provided a broader perspective on the sector and the importance of effective giving in day-to-day experiences. The research approach involved running 100 computer-assisted telephone interviews.

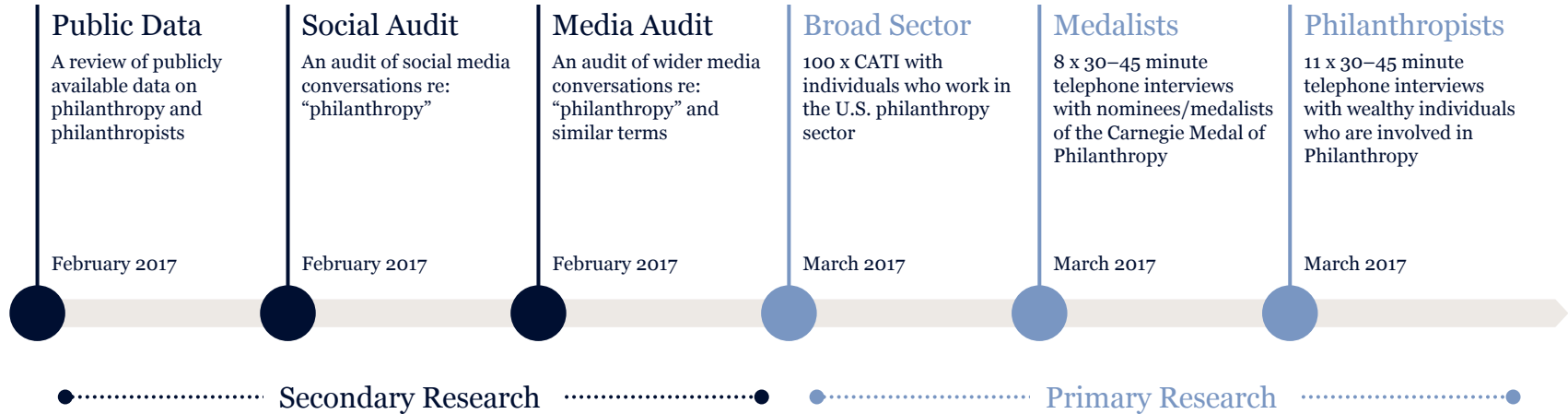
The final phase of the research focused on interviewing the wealthiest 0.1 percent, including Carnegie medalists, notable philanthropists, and other high-net worth individuals. The in-depth interviews allowed Carnegie to explore perceptions of philanthropy and gain perspective on effective giving.

The overall findings illustrated the most common motivations driving philanthropists and how they choose to interact with the philanthropy sector. Most importantly it allowed Carnegie to understand how to help future philanthropists find their motivations for giving in an incredibly diverse philanthropic landscape.

Research Scope

Philanthropists

The source of the findings is signposted throughout the deck e.g.



Executive Summary

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Philanthropists told us that “strategic” philanthropy is important; many of them are mindful of having an impact ...

The majority set clear objectives

Most measure and evaluate success, although methods tend to be variable and subjective

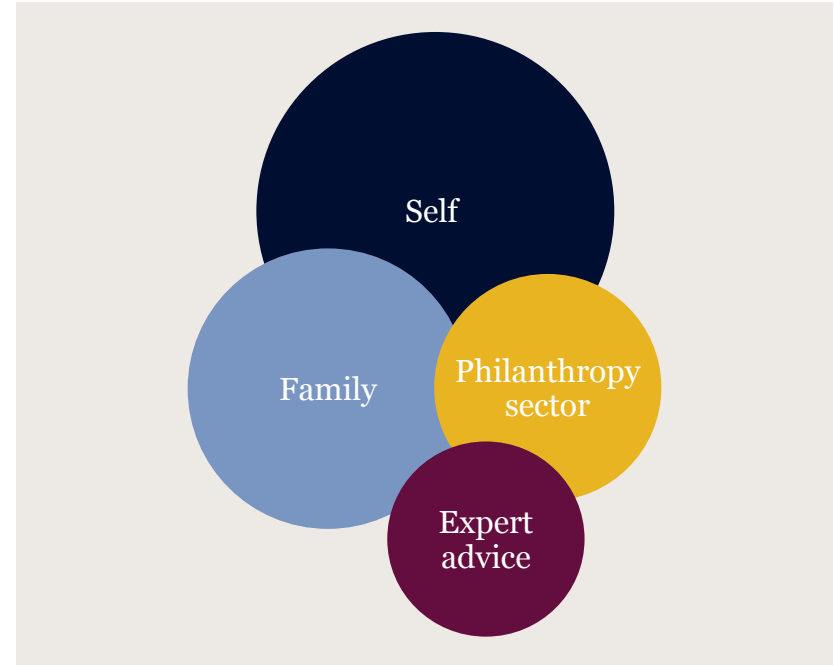
Many subscribe to the idea of performance-related contributions

47%

of the U.S. philanthropy sector are very interested in hearing about effective giving strategies in philanthropy

There are a handful of topics around which philanthropists consistently converge

Philanthropists tend to be idiosyncratic, independent thinkers who take pride in developing their own ways of contributing. Our strategy should work to recognize and celebrate those qualities.



But they were incredibly energized about the idea of inspiring a broader network of philanthropists

Individual Stories

Given the broad range of causes and approaches, there was agreement that new philanthropists should share their motivations

Innovation and Creativity

There was greatest interest in hearing about philanthropists who had adopted unique approaches to their work

Diverse Focus

There was a feeling that up-and-coming philanthropists should cover a broad range of causes, regions, and levels of philanthropy

Inspiration for Others

Ultimately they were motivated by the idea of inspiring a broad range of people to become philanthropists — now and in the future

Further Details

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Setting the Scene: The Journey of a Strategic Philanthropist

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Setting the Scene

The philanthropists we interviewed talked us through their approaches to giving and how they evolved over time.

The vast majority of them had adapted and developed their approaches in an effort to make them more effective — and ultimately more satisfying.

We identified a number of clear stages in this giving journey, with the final stage being “strategic philanthropy.” (It is important to note that individuals do not always progress through each stage.)

Understanding this journey helps us to better understand the mind-set of philanthropists and identify when and how we can engage with them in the future.

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An Overview of the Journey of a Strategic Philanthropist



Stage 1: Mind-Set Development

The vast majority of philanthropists expressed an inherent belief in helping others that they could trace to their early childhood:

- **Parents** were cited as the main inspiration and most had a memory of their mother and/or father organizing charity work and teaching them the importance of giving back
- Others felt it was an **intrinsic element of their persona** (i.e., they were born givers, not takers)
- **Community culture** was also frequently cited, with a special emphasis on religion, as well as on the impact of the U.S. tax code on foundations and charitable giving



Stage 2: Reactive Charity

Most philanthropists recalled an early period of charitable giving that featured several recurring themes:

- **Reactive:** donations that are typically given in response to a request and an obvious problem/solution being presented to them
- **Emotionally driven:** giving to causes that are responding to a current crisis or local issue
- **Limited-time commitment:** opportunities that appeal to individuals who are still actively building their businesses



Stage 3: Trigger for Change

There are often identifiable triggers that shift individuals from reactive to proactive charity:

- **Surplus Wealth:** when individuals realize that they have more than enough money for themselves and their family
- **Life Event:** individuals who are inspired by turning points in their lives (e.g., health issues)
- **Legacy:** a dawning realization of mortality and a desire to leave behind a legacy



Stage 4: Proactive Charity

Individuals start looking for issues that they can support with larger sums of money. These decisions still tend to be emotionally driven and evaluation is often limited to:

- **Giving back** to issues/organizations that have affected them personally (e.g. alma maters, health issues, and/ or region-specific issues)
- Recognition of a **pressing issue** that can be paired with a **clear solution**, streamlining the process of deciding which causes to support
- A **subjectively “good” organization**



Stage 5: Evaluation

The experience of proactive charity can vary:

- **Satisfaction:** certain charities are very effective at managing donors by giving them regular updates and tailoring communication efforts to address key motivations
- **Disillusionment:** others are badly managed, making donors feel like “walking checkbooks,” and/or the donors come to disagree with the approach being taken by the beneficiary of their giving

In both cases, but especially the latter, we heard of individuals evaluating the process and being driven to get more directly involved in order to improve outcomes.



Stage 6: Principled Philanthropy

Many individuals begin to take a more rational and strategic approach to charitable giving:

- **Greater consideration is given to the recipients of giving** or donors begin to coordinate the work themselves.
- The causes still tend to be of **personal interest** but donors do more research to identify the areas of greatest need.
- Donors expect **regular updates** and/or seek qualitative/quantitative markers of success, e.g. wider stakeholder feedback.



Stage 7: Strategic Giving

Those individuals who continue on this journey often describe a further rationalization of their approach and an adoption of best practices, including :

- Setting clear objectives
- Measuring and evaluating success
- Giving performance-related contributions
- Adopting “venture philanthropy”



Key Influences on the Work of Philanthropists

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The Independent Philanthropist

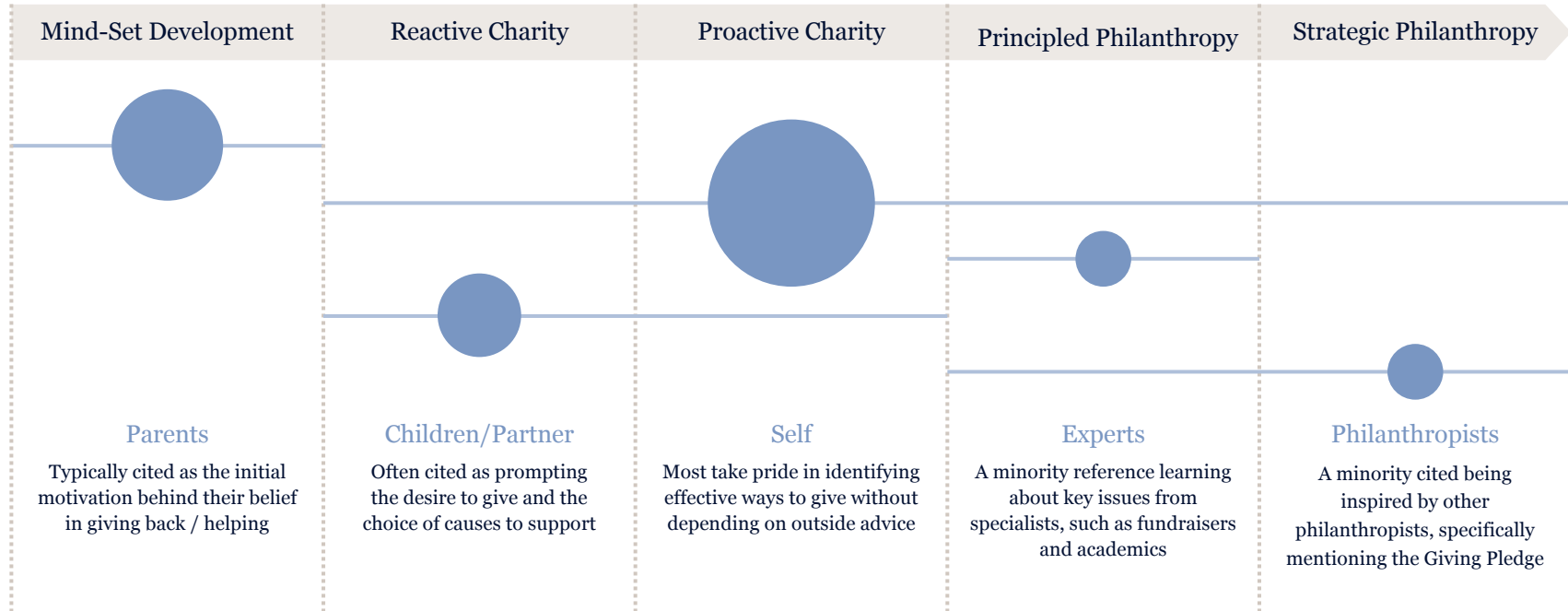
As part of our research, we wanted to identify the external influences that impacted the philanthropists and their giving — influences that we could potentially tap into.

Always on the alert for spontaneous leads, we continued to probe and prompt at each stage of the journey.

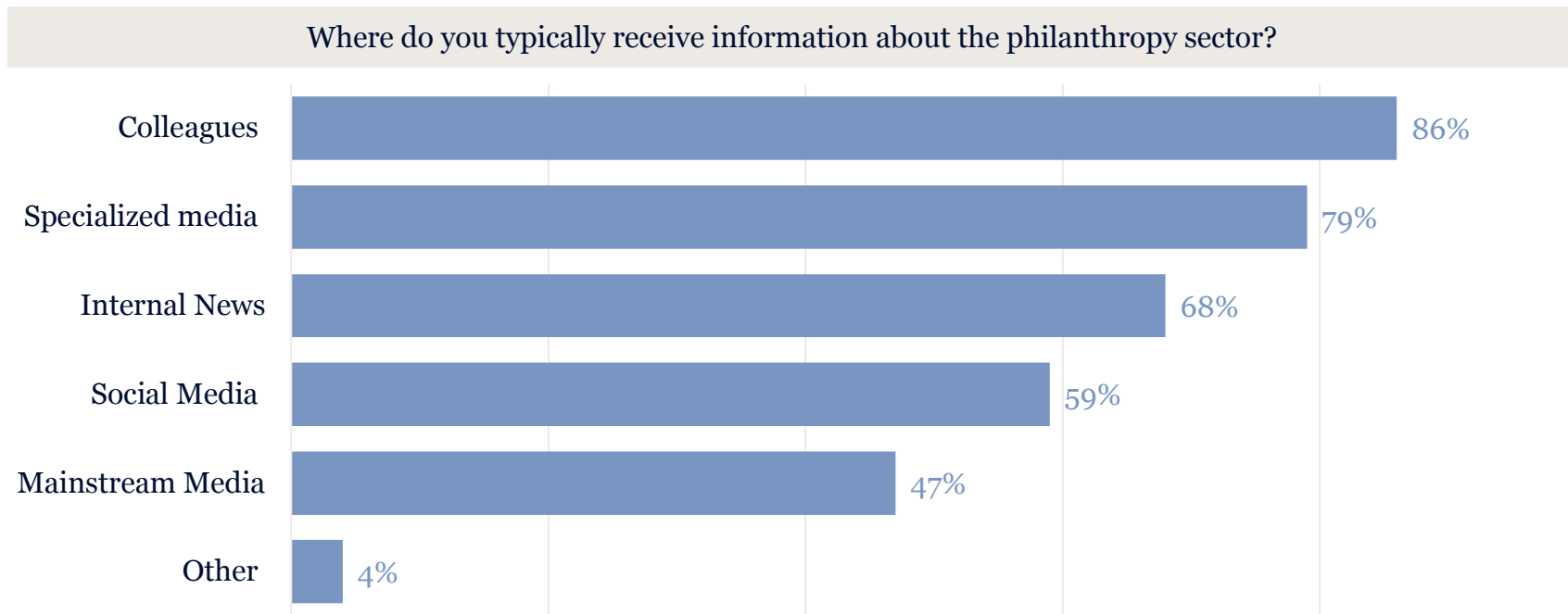
We discovered that only limited conversations are currently taking place, with very few sources referenced. This reinforces the idea that philanthropists are independent by nature. They follow their instincts. They make their own way.



Philanthropists Cite Few External Sources of Influence



The Wider Philanthropy Sector Is More Engaged in Sector News with the Majority Receiving Information from Colleagues and Specialized Media

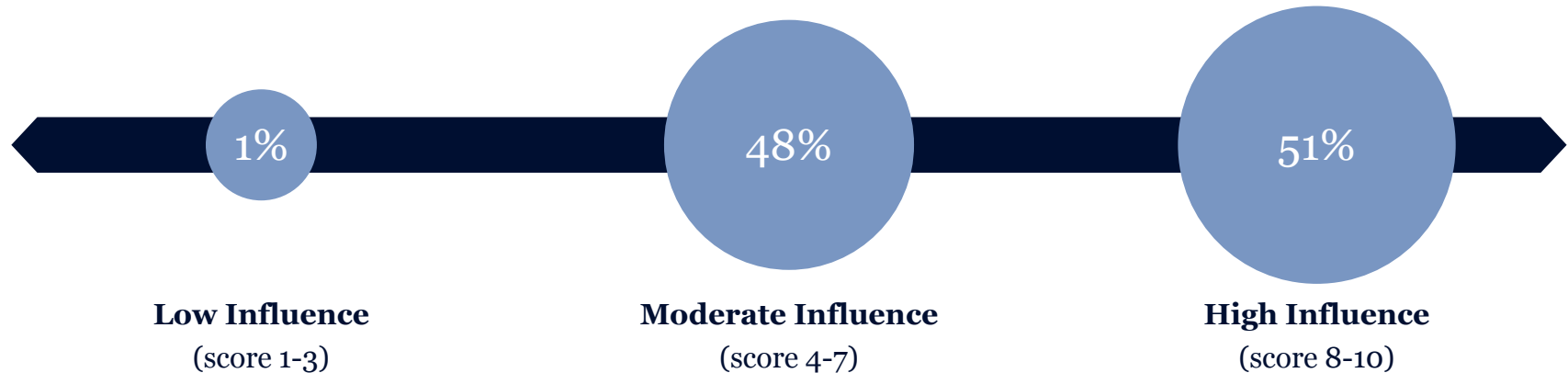


Base: 100

They Feel that Inspirational Individuals Are Influential in the Work of Philanthropy...

How influential are the inspirational individuals at inspiring the work of philanthropy?

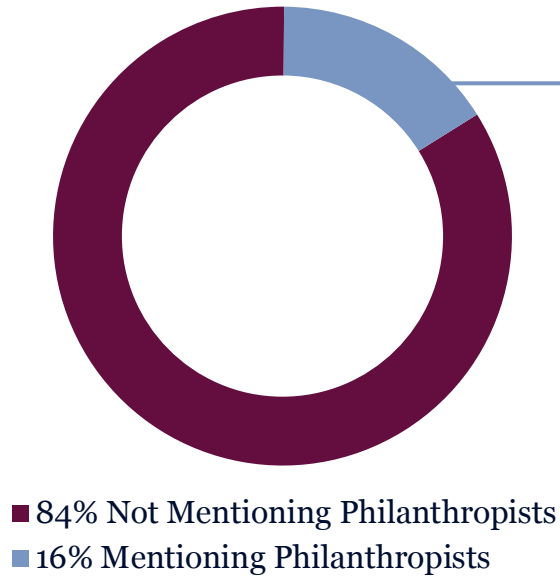
Please rate this on a scale of 1 to 10 where 1 is not at all influential and 10 is extremely influential.



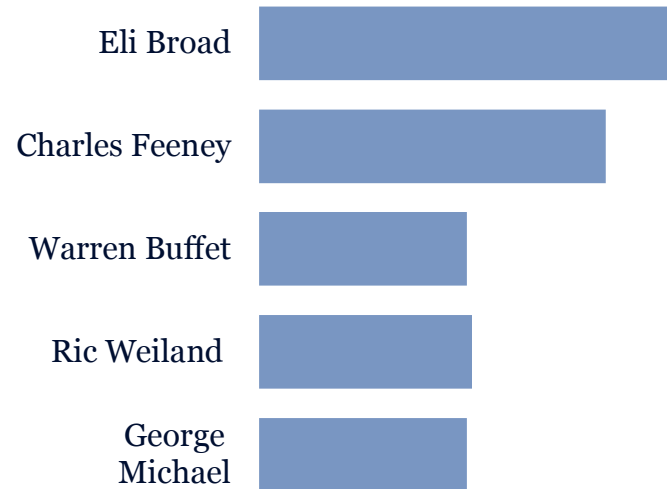
Base: 100

There Are Few Discussions Around Philanthropists on Social Media — Suggesting Limited Reach and Engagement

Social media conversations about #philanthropy



Philanthropists Mentioned on Social Media



Base: 385 tweets from Nov 2016- Jan 2017

Appendix

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Potential to Make a Difference is Most Important in Determining the Worthiness of a Cause

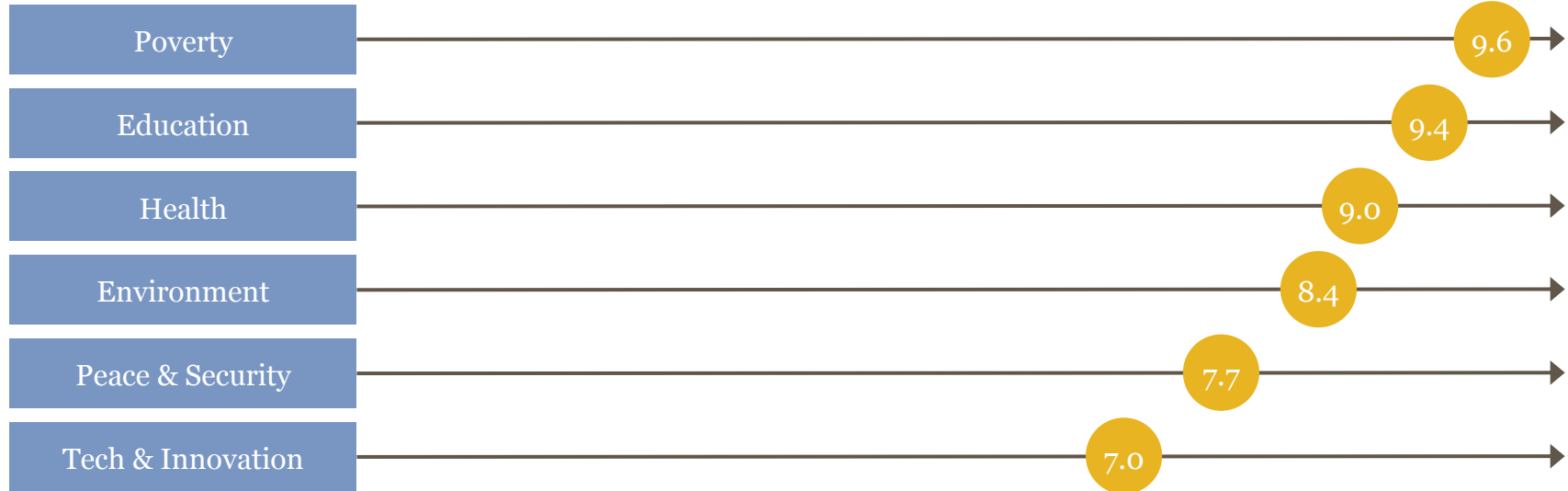
On a scale from 1–10 where 1 is not at all and 10 is extremely, how important are the following considerations in determining the worthiness of a given cause?

	Low Importance	Moderate Importance	High Importance
Potential to make a change/difference	1%	11%	68%
Severity of impact on those affected	1%	14%	65%
Affecting a large number of people	4%	38%	59%
Longevity of impact on community	3%	22%	55%

Base: 100

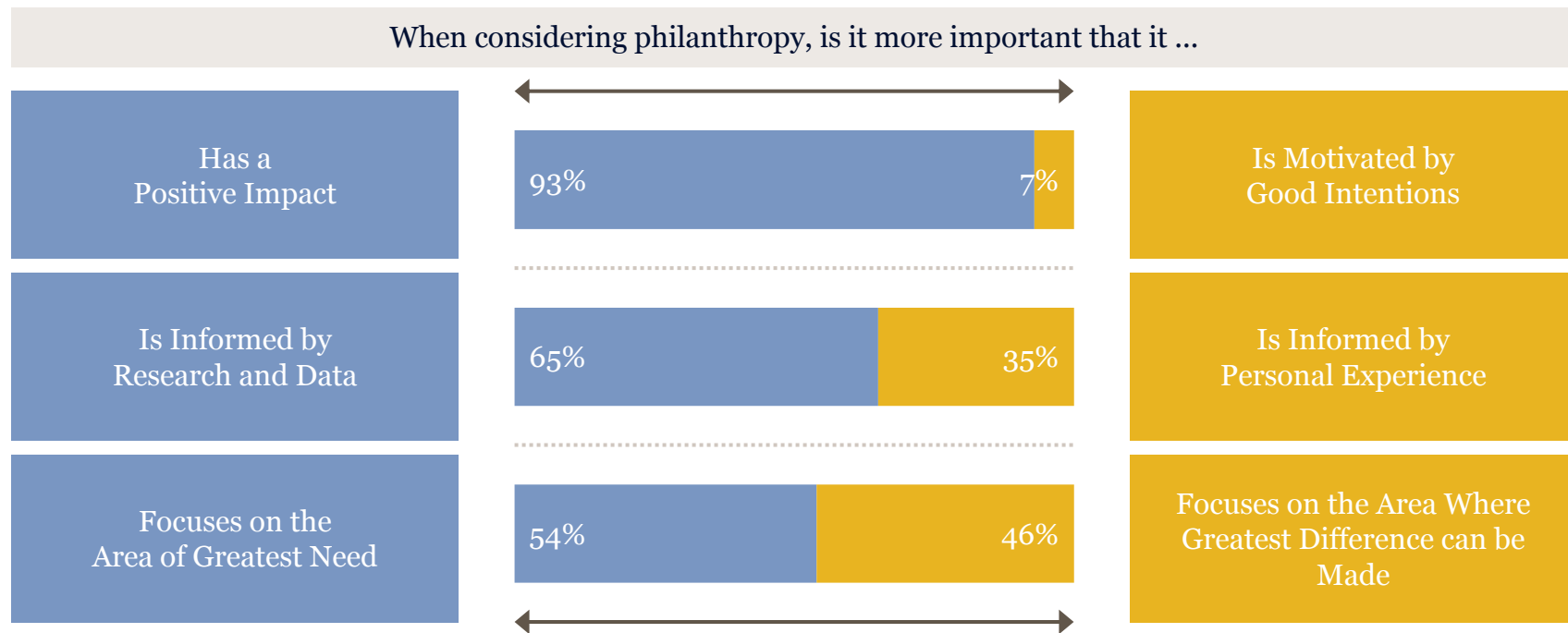
Poverty Alleviation Is Considered the Worthiest Cause for Philanthropy

What do you see as the worthiest causes for philanthropy? Please rate each of the following causes on a scale of 1 to 10 where 1 is not at all and 10 is extremely worthy. Mean score shown.



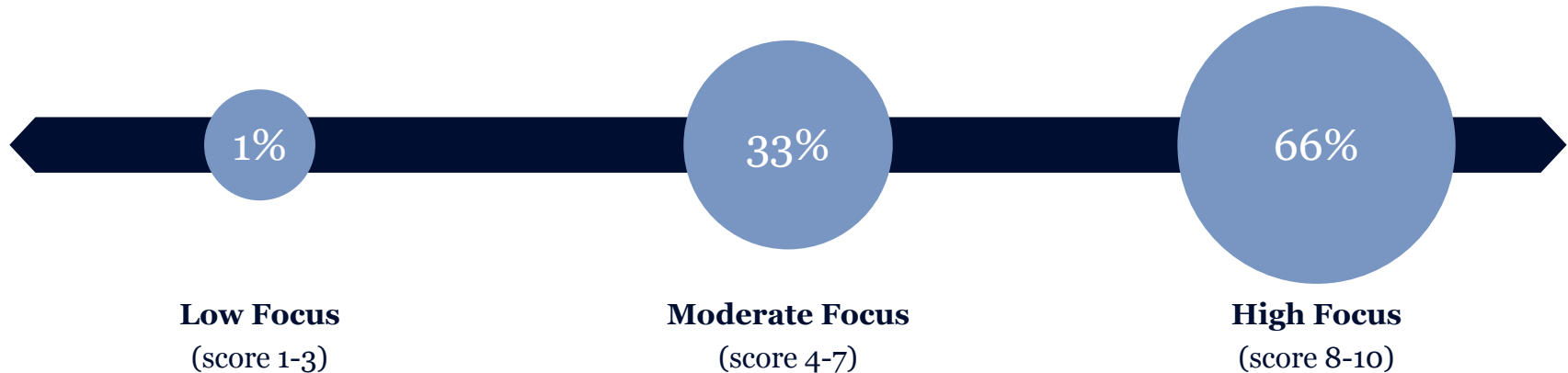
Base: 100

Philanthropy Should Have a Positive Impact and It Should Be Informed by Research and Data



Most in the Philanthropy Sector Believe That Their Work Is Already Focused on Bringing About Positive Impact

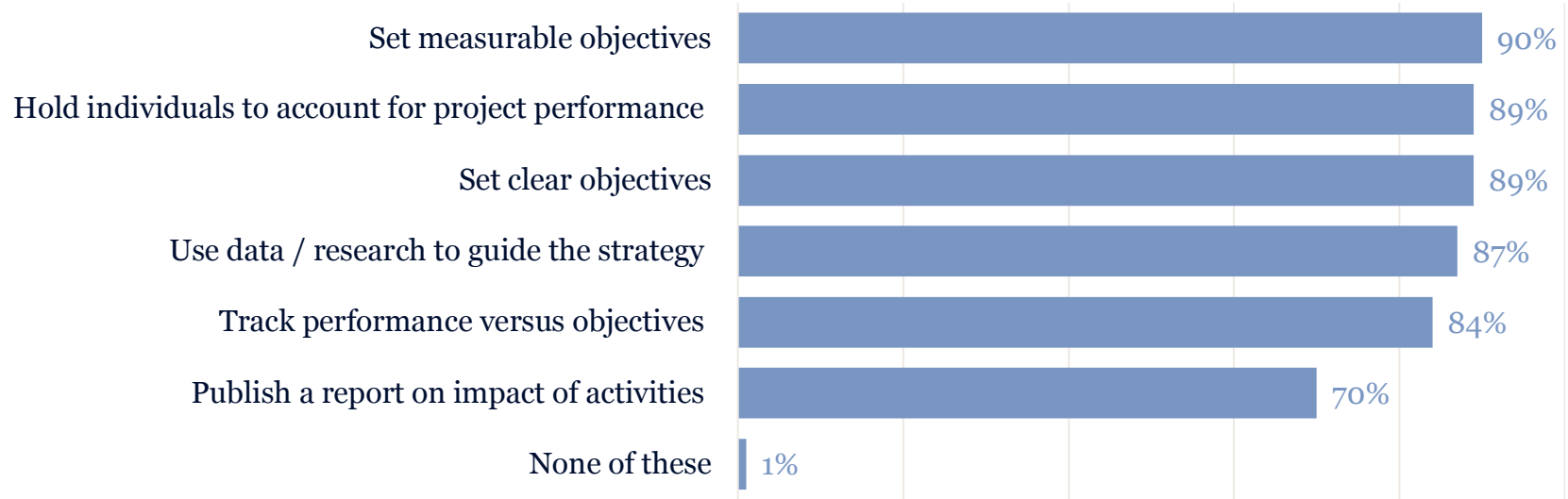
Overall, how focused is the work of the philanthropy sector in bringing about positive impact?
Please rate this on a scale of 1 to 10 where 1 is not at all focused and 10 is extremely focused.



Base: 100

The Philanthropy Sector Closely Monitors Measurement and Evaluation Methods to Ensure a Focus on Positive Impact

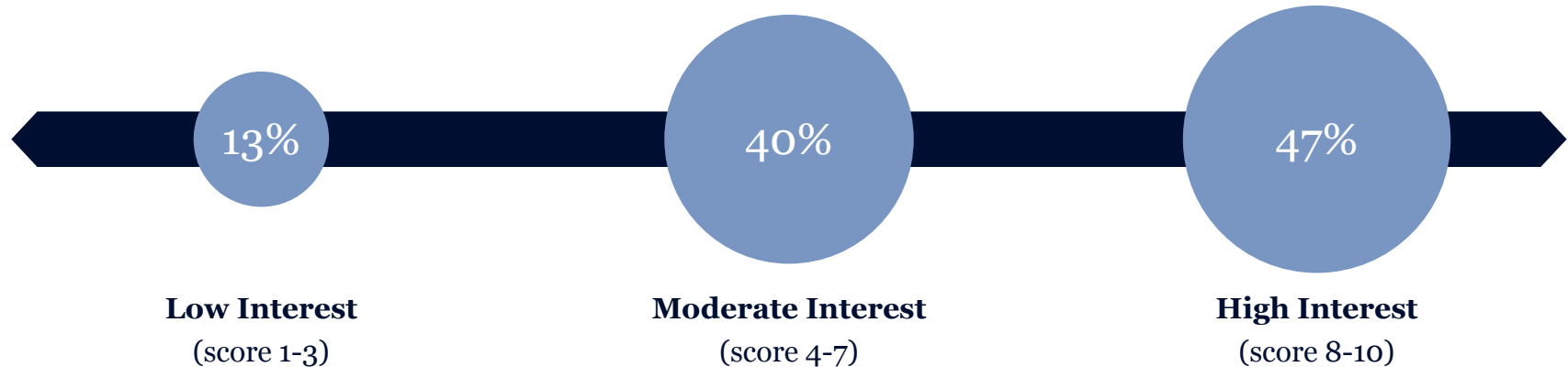
Does the organization that you work for do any of the following activities to ensure a focus on positive impact? Select any/all that apply.



Base: 100

The Philanthropy Sector Would be Moderately Interested in Hearing About Effective Giving Strategies in Philanthropy

How interested would you be in personally hearing about effective giving strategies in philanthropy?



Base: 100

