

Achieving Impact With Gifts of All Sizes

All donors want to make an impact with their giving. If you are a donor who desires to see and feel even more impact from your gifts, this paper is for you.

There's a world of opportunity to make a difference right in your community and in the issue areas you care most about. This paper offers a practical process for taking advantage of those possibilities. The process includes taking stock and using all your assets as a donor; choosing a focus; building knowledge about your focus area; looking out for important gaps and opportunities; and considering an array of strategies that use your dollars and also your time and skills. We feature examples to bring the process to life and hopefully spark ideas and inspire you.

It starts with taking stock of all you have to give. So, let's go!



Step 1. Take Stock of All the Assets You Bring to the Table

If you believe your only asset is money, think again! Donors across the spectrum of wealth offer much more than money. As you begin the process of making more impact, it's useful to take stock of these assets. They include:

- **Human assets.** Your creativity, energy, and resourcefulness can bring valuable insights and resources to the table.
- **Professional and life skills.** Business experience and acumen along with skills such as teaching, planning, writing, facilitating, and coordinating gained from volunteering and parenting are tremendous resources to offer to a cause.
- **Time.** The time you invest to listen to community and nonprofit leaders, and learn about needs and promising strategies, can help you address key issues in the smartest ways.
- **Reputation.** The good name of a donor or family in a community can be a tremendous asset.
- **Freedom.** The U.S. government gives donors and foundations enormous flexibility to fulfill their charitable goals. This freedom allows you to experiment and take risks in ways not available to institutions that are beholden to customers, shareholders, and voters. The power to support new and promising programs, grantees, and ideas can lead to high returns.
- **Passion.** If you pursue an issue or cause that you're truly passionate about, you will devote more of everything you have to offer, and with a fire that can inspire others.

When combined with even the smallest grants, assets like these can be leveraged to make a difference in your community or issue area.

Step 2. Focus Your Giving

Focusing your giving on a particular community or issue area is key to achieving impact with your dollars and time. Try to identify an issue that you truly care about and that is a priority need.

Focusing gives you the power to:

- Make the best use of your dollars and time
- Accumulate experience and knowledge about an issue or grantee, so you can identify gaps and opportunities for impact
- Meet like-minded people with whom you can learn and partner
- Stay on track, adjust over time, and see your impact
- Spend time on what is meaningful to you

You can focus your giving and time on:

- An organization
- A neighborhood or community
- An issue in a community
- A network of organizations
- A population in need
- One kind of support—such as providing general operating support, or building capacity
- A combination of the above

Good questions to help you focus include:

- What values are most important to you?
- What do you feel passionate about?
- What are the important needs and issues in your community—especially those that are not being addressed?
- What do you want to achieve with your giving and time? What is your desired impact?
- Where can your gifts and time make a difference? Ideas include giving to small, community based organizations, important issues that are being ignored, and fields that consistently see big returns over time.

For more information, see the Fidelity Charitable®/Exponent Philanthropy paper “Focusing Your Giving: A Key to Impact” at www.exponentphilanthropy.org.

Step 3. Learn About Your Focus Area

Once you've chosen a focus for your giving, the next step is to invest some time to learn about it. Being knowledgeable—even by spending an hour or two talking with people or doing research—can vastly increase the impact of your gifts. Building your knowledge helps you identify priority needs; gaps; barriers to progress in an issue; effective strategies, agencies, and programs; entrepreneurial people; and opportunities to make a difference.

A great question to ask is, Which issues in my community or area of interest are most serious and most in need of attention? What you learn may lead you to a focus for your giving.

Here are some examples:

- You talk with several people who are knowledgeable about issues in your region, including a foundation board chair, a business leader, and a journalist, and you learn that two of the most urgent issues are transportation to jobs for low-income people, and at-risk children and youth. You decide to focus part of your giving and volunteering on these issues.
- You learn from talking with two foundations in your community that childhood obesity is an epidemic that will cause long-term health problems and enormous costs. You consider helping fund a new fitness and family nutrition program at the local community center.
- By having conversations with several teachers in your community's public schools, you learn about a desperate need for after-school mentors and tutors for children from low-income backgrounds. You decide to serve as a mentor, and also fund an organization that recruits mentors.
- You meet a fellow volunteer at your local food bank who served in the Peace Corps in a Latin American country, and you talk with her about her experiences. She describes a network of small, grassroots organizations that help low-income people increase their earning power. You're amazed when she says that \$2,000 can help a farmer and his family increase crop yields. You decide to investigate the opportunities by talking with American non-governmental organizations (NGOs) active in that country.

As these examples suggest, a good way to learn is to talk with people from diverse walks of life who are knowledgeable about the issues you care about. These can be board members and staff of nonprofits, government officials, local foundation trustees and staff, social workers, researchers, business leaders, teachers, parents, students, volunteers, recipients of social services, and others.

Other good ways to learn include visiting or volunteering for your favorite donee organizations and learning about their work, and serving on nonprofit boards, donor circles, and civic organizations. These networks can give you access to lots of information on pressing needs and ideas for impact.

Doing research online is also valuable. Look for articles about the issues and organizations you care about, and browse the websites of foundations in your area or national foundations that fund your issue. You can use the resources of the Foundation Center, a nonprofit that tracks foundation grants, to find foundations; visit www.foundationcenter.org. Review the websites of nonprofits you're interested in, and look up their organizational information at www.guidestar.org.

For more information, see the Fidelity Charitable®/Exponent Philanthropy paper "Scanning the Landscape: Assessing Needs and Finding Your Funding Niche" at www.exponentphilanthropy.org.

Step 4. Look for Important Gaps and Opportunities to Make a Big Difference

As you learn about your favorite organization, community, or issue, keep your eye out for gaps—that is, needs and missing pieces that are really important but neglected.

Meeting important and neglected needs is one of the most powerful ways you can make a difference with a few thousand dollars. Why?

Nonprofit organizations and communities face huge challenges fundraising for all their key needs. Often an essential link in the chain to impact gets ignored and unfunded. Many needs just aren't glamorous and are difficult to raise money for, such as equipment, training for staff, or documenting impact to win major funding. In other cases, key needs simply were not anticipated when a program was started.

The exciting news for donor-advised fund (DAF) donors is that some of these gaps can be filled with the investment of a few thousand dollars, or by two or three donors pooling their gifts. By filling these needs, you can help an organization or system perform better—and create impact that can amplify the value of your gift.

The task is to do some detective work to discover the gaps. Begin by learning what the most important problems are in your community or issue area. Then talk with people who are knowledgeable. Ask questions such as:

- What are successful ways the problem is being addressed?
- Who is doing the best work on this issue?
- How does this program or system work?
- What's missing?
- What would make this program run even better?
- What is difficult to raise money for? What do you really need?
- What would make a huge difference to your clients?

Here are examples where a few thousand dollars can fill an important gap:

- A local foundation recommends that you talk with the juvenile courts, where judges can identify critical needs of youth in foster care and the justice system. You end up funding bus passes for summer camp, emergency cell phones, and eyeglasses, helping prevent crises and offering hope on a daily basis.
- The board and staff at a coalition of homeless service organizations describe how some homeless people who've been trained for employment lack transportation to and from their jobs. You decide to pay \$3,000 for a refurbished vehicle that will help one trainee commute to a new job, helping him build a new life. You tell four friends about the program, and your circle ends up purchasing six vehicles for six clients.
- Staff at two theatre companies you support propose the idea of purchasing 200 tickets and making them available to area schools, so students can attend live theatre during a period of government cutbacks for the arts.
- A member of your Chamber of Commerce tells you about a group that helps single mothers earn a college degree. You learn that, although the mothers receive tuition assistance from other funders, many are dropping out because of family expenses and emergencies. The group now provides modest amounts of money to help cover gas, car problems, food, and other expenses. You decide to support this group, to help women stay in school and build their earning potential.

Here are more examples of high impact that donors have found by looking for gaps and opportunities:

- Funding high school youth groups organized to explore issues of identity and race; these groups help students find community and peer support.
- Providing a scholarship to a student in foster care to attend vocational school.
- Providing funds to purchase business attire and removal of gang tattoos for paroled prisoners, so they can return to the workforce.

Step 5. Consider Strategies to Make Impact

The following strategies, culled from the collective experience of donors around the country, are great ways to make impact. As always, you will be able to make the best use of them and target your giving by learning about the work and operations of your favorite organizations.

OFFER UNRESTRICTED SUPPORT TO YOUR FAVORITE CHARITY

Unrestricted or “general operating” support is funding not tied to specific projects. For nonprofits, it can reduce the labor required for fundraising, free time for mission-related activities, create an opportunity to try a new approach, or simply keep critical services available for more hours. Even though unrestricted support offers many benefits, it is difficult to raise.

FUND SOMETHING YOUR FAVORITE CHARITY NEEDS THAT IS DIFFICULT TO RAISE MONEY FOR

As we discuss above, it can be challenging for nonprofits to raise money for non-glamorous but essential needs such as equipment, storage, a bigger bathroom for clients, or vehicles.

BUILD THE CAPACITY OF YOUR FAVORITE CHARITY

Supporting the skill-building of board and staff is a powerful way to strengthen your favorite organizations. This support is often difficult to find. A few thousand dollars can pay for desired training leadership development. If your donee is interested in exploring partnerships with other groups in the community or its field, a great way to help is to cover the cost of a skilled facilitator for the convening.

VOLUNTEER YOUR TIME AND SKILLS

Offering your time to favorite organizations is a great way to contribute and also learn more about gaps and needs. Take stock of your skills and experience, and talk with the organization to find out what kind of help it might need. Volunteers provide assistance in the areas of technology, communications, fundraising, facilitation, and administrative help, and they can offer consulting in a specific program area such as education or health.

COMMIT FOR A NUMBER OF YEARS

Nonprofit organizations greatly value steady support over a number of years, either unrestricted or project support. Consistent funding streams make planning much easier, and the relationships you develop over time create opportunities for learning, volunteering, and championing of the organization.

SPEAK OUT FOR THE ORGANIZATIONS AND CAUSES YOU ARE PASSIONATE ABOUT

Shine a spotlight on your donees and the issues you care about. Increasing the visibility of your groups and causes attracts additional donors and funding, engages partners, and educates your community about the important role of nonprofits.

Ways to speak out include:

- Telling family, friends, and colleagues about the organizations and causes you support, and inviting them to attend events and visit with you
- Introducing other donors to an organization's board and staff
- Writing letters to the local newspaper or magazine editor about your organizations and causes
- Blogging and tweeting about your groups' accomplishments, and about an important problem in the community that is being overlooked
- Writing your local elected representatives

GIVE INTERNATIONALLY

Donors who give internationally realize that even modest gifts can have a tremendous impact in a developing country. Some international funders provide relief for natural disasters and civil conflicts. Others seek to address extreme poverty by helping families access safe water and nutritious food, build homes and schools, start businesses, access credit, and enhance their earning capacity.

Giving abroad through DAFs and U.S.-based intermediaries makes international giving as easy as making a grant to a domestic charity. Ask your DAF institution or an international intermediary for advice and ideas.

INVEST IN FIELDS KNOWN FOR HIGH SOCIAL AND ENVIRONMENTAL RETURN

Over the years many donors and foundations have found, through evaluation and their own observation, that investments in certain kinds of work consistently yield high returns. Even modest investments made now can save communities immense costs over a decade or two.

You might consider allocating some or all of your giving to these fields, which include early childhood education, preventative health and dental care for children, community colleges and vocational training schools, wetlands preservation, and others. Another high return investment is giving to groups that educate and register voters, which builds participation and strengthens accountability in our democracy.

ESTABLISH A DONOR-ADVISED FUND FOR YOUR CHILDREN AND ENCOURAGE THEM TO GIVE

Making dollars available to your children or grandchildren, and inviting them to research causes they care about and support them, is a great way to engage next generations in giving and the community. The few thousand dollars you make available could nurture an ethic of giving over a lifetime. That's terrific impact.

Closing Thoughts

Take time to consider what issues you really care about, learn more about those issues, and look for gaps and opportunities. Your efforts will pay off in greater impact and satisfaction.

Over the months and years, you'll get better and better at discerning which opportunities are good, and which are really great ones that have ripple effects.

As you give, build a community of peers and partners to share your learnings and successes. And you can always call upon Fidelity Charitable®, Exponent Philanthropy, and the many resource groups in philanthropy for advice and ideas along the way.

Resources

Focusing Your Giving: A Key to Impact A resource to equip you with the information and inspiration to find focus and achieve more with your gifts. Fidelity Charitable® and Exponent Philanthropy. www.exponentphilanthropy.org

Scanning the Landscape: Assessing Needs and Finding Your Funding Niche Fidelity Charitable® and Exponent Philanthropy. www.exponentphilanthropy.org

What Makes an Effective Nonprofit An overview of five qualities and characteristics common to effective nonprofits. Fidelity Charitable® and Exponent Philanthropy. www.exponentphilanthropy.org

Twenty Ways to Make a Difference: Stories From Small Foundations Exponent Philanthropy. www.exponentphilanthropy.org

Getting Involved Beyond Grants An article highlighting non-grant strategies, the forces that impel funders to get involved beyond the grant, and steps for getting started. Exponent Philanthropy. www.exponentphilanthropy.org

GuideStar Find information and data on every IRS-registered nonprofit organization. www.guidestar.org

Foundation Center Find information and data on grantmakers and their grants worldwide and many more philanthropic resources. www.foundationcenter.org

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