

A New Direction in Women's Philanthropy

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Everychild Foundation

The article is a case study of the highly successful Los Angeles-based giving circle, Everychild Foundation. As American women's philanthropic opportunities have traditionally been limited to participation in fund-raising events, this model has demonstrated that there is a stimulating and effective alternative. Members join together, pooling brain power and financial resources, thereby allowing them to have a bigger impact in the community than they could have individually. With its democratic voting system, lack of hierarchy, and flexibility, the model is inclusive and fits within the lifestyle of busy contemporary women. Its formula has enabled its members to feel a "sense of ownership" in the organization and inspired many to venture further into the philanthropic world on their own. Its system of accountability has provided its members with the confidence that their dollars are well spent.

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American women have a long-standing tradition of volunteerism for charitable causes. As many more women have attained advanced educational levels and workplace skills in the last few decades, however, the philanthropic world has not sufficiently evolved to take full advantage of these valuable human resources.

The most available option for American women seeking charitable participation, in addition to direct, hands-on involvement, has been to join a nonprofit's fund-raising committee, which directs its major efforts toward planning an annual gala and/or auction benefit event. Members are charged with the tasks of combing their contact lists for dinner ticket prospects, soliciting auction items, planning the actual party, and locating an honoree or two—usually selected by his or her ability to attract patrons.

The charity benefit event is a well-established institution in the United States. Before women began entering the workforce in large numbers as a result of the feminist movement in the 1960s, it was often one of the most significant ways in which large numbers of women sought meaningful accomplishment and status outside the home. For many women today, this is still the case.

For a growing number of contemporary women, however, particularly the highly educated, arranging fund-raising events is often not, in fact, fulfilling or stimulating. For many, it underutilizes their intellect, talent, education, professional skills, and general life experience. Nor is it always an efficient use of their charity dollars, because of the large expense such events usually require to execute. In fact, according to the National Center for Charitable Statistics at the Urban Institute, of the 102,353 public charities reporting special fund-raising events in 2005, the average return was just less than 40 cents on the dollar with \$5.92 billion in total production costs and a net of only \$3.9 billion.

This article presents a case study of an alternative form of women's philanthropy. It sets forth a model that has led to high levels of donor engagement, limited overhead expenditures, and observable impact on the recipient agencies. The article details the case, and provides lessons learned and suggestions for how to extrapolate the model.

A STREAMLINED PHILANTHROPIC FORMAT

To provide an alternative format for Los Angeles area women to direct their philanthropic energies and dollars, Everychild Foundation was created in 1999. Everychild is a 501(c)3, a nonprofit foundation, and is composed of women whose aim is to alleviate suffering of youth in the Los Angeles metropolitan area. Its mission is to fill critical unmet needs of children because of disease, disability, abuse, neglect, or poverty. The group's tagline is "women reinventing philanthropy" because, unlike gala planning, it provides the members with the opportunity to give back to the community in a more stimulating, efficient, and targeted way.

Everychild employs a simple model. Instead of spending time on fund-raising, women join as members and pay annual tax-deductible dues of \$5,000. Recruitment is primarily through word of mouth and small, member-hosted breakfasts. The dues are annually pooled, and each woman casts a vote for a single children's project within the community to receive the group's entire grant. A committee of members spends the year reviewing proposals and ultimately selecting two finalists from which the membership at large votes.

Since operations began in July 2000, Everychild Foundation has made more than \$5 million in grants. The group has grown from 56 women in its first year to its target of 225 today and has funded projects directly serving the needs of more than 50,000 local area children. In 2007, it awarded its first \$1 million grant, and now has a waitlist to join. It has attracted an eclectic array of members, including professionals, celebrities, stay-at-home mothers, and retired women all united by their concern for helping children in the community in a novel, efficient way.

Formal demographic data is not collected on the membership body. This would be a helpful step in understanding how the giving and membership

evolve, and might be a change other adopters of the methodology would want to make. However, the vast majority of the members are between the ages of 35 and 50 with the next largest group being those between 50 and 65. The overwhelming majority is college-educated, and many of the women hold graduate degrees. More than two thirds are employed either full-time or part-time. Most of those who are not currently employed have previously been gainfully employed and have either taken time off to raise children or are now retired. The ethnic mix is primarily Caucasian, followed in order by Asian, African American, and Hispanic.

The organization prioritizes member equality; every woman is eligible to join the 20-woman grant-screening committee, and those serving must cycle off after a term of 3 years if others are waiting to participate. Terms are staggered to keep experienced members on board to help train new volunteers. In the event more potential new committee members are interested than there are spaces available, names are drawn from a hat. Those not selected are given priority the next year. This system has successfully prevented an entrenched group from controlling the grant process that could potentially alienate the general membership.

To provide meaningful opportunities in which the membership at large can participate, Everychild instituted a salon series in its first year. Prominent experts make presentations to the group detailing serious unmet needs of children that could possibly be addressed by future Everychild grants. The evenings are interactive and designed to be thought provoking. Although not an integral part of the model, the salons have served to increase member awareness of the most critical needs of children in the community and how best to meet them. In addition, they facilitate membership bonding and help members feel even further enriched by their participation in the organization.

THE GRANTS

Everychild members demand satisfaction that their grants have created real change for local children and helped an organization to grow. Many of the women have described a lack of fulfillment from their prior charitable donations because it was often hard to track exactly what their donations of time and money had accomplished. Everychild, therefore, only considers proposals from agencies requesting funding for new, specific, innovative projects, or major expansion of existing ones. Members feel this helps them clearly identify the impact their gift has made and know that their gift is not simply replacing the ordinary annual fund-raising efforts of an agency that would have raised the dollars regardless.

Ideally, the projects selected will serve as a new prototype that can inspire wider replication and be a springboard for wider use. They must also be prepared to launch within the year, and the applicant must provide assurance that it is capable of sustaining the project once launched. The grant committee

determines this capability by examining the success of prior new initiatives by the agency, the strength and depth of its board, and the agency's fund-raising track record and reputation among other foundations in the community.

The applicant agencies must also have a proven track record in handling significant grants. If the organization would, however, be able to access funds for the project without question, in a timely fashion without the Everychild grant, it would not be eligible. For example, the foundation would not consider local branches of organizations that benefit from a large, established, national fund-raising base. The rationale behind this rule is that the members want to know that "if not for the Everychild grant," the project would not have become reality. In other words, they want to be assured that their dollars were genuinely needed.

Everychild's grants to date have funded all capital costs of the first mobile dental clinic in the Los Angeles Unified School District serving low-income children on campus; construction of 15 new libraries, including the provision of books and reading tutors, at public schools previously lacking them; expansion of a counseling center for abused children; the building of a new learning center at a residential school for boys exiting the juvenile justice system; the purchase of an apartment building to house emancipated foster youth with a mentoring program; construction of a playground designed for the needs of disabled children, a computer learning center in a crime-ridden neighborhood, and expanded facilities for a nationally recognized, youth-led after-school program. In recognition of its contributions to the community and its philanthropic innovation, Everychild Foundation was named the Outstanding Private Foundation in Los Angeles by the Association for Fundraising Professionals in November 2004. It was one of the first occasions on which the association had presented the award to such a new organization.

The grants have progressively increased in size as a result of the growth of the member base. They have grown from the initial \$230,000 in 2000 for the mobile dental clinic to \$600,000 to fund the child abuse counseling center in 2002 to the first million dollar grant in 2006 for the computer learning center. The total granted to date is \$5.5 million. Annual growth of the membership has averaged roughly 20%, with a very low attrition rate of 6%. With the growth in the grant size, Everychild has seen an increase in requests for capital projects and a drop in applications for program dollars, although it is not infrequent for a candidate to present a hybrid request. However, even the hybrid requests are almost always capital oriented. To date, the organization has not funded a purely programmatic grant request although several have been finalists.

OPERATIONAL COSTS

A portion of the funds raised each year from the pooled dues are reserved to pay Everychild's operations for the following year. The foundation minimizes fund-raising expenses. As a result, the costs of running the organization

are more easily controlled and have remained relatively stable from year to year. In 2000, Everychild's first year, these costs (excluding start-up costs) totaled roughly \$85,000. Now, in 2007 with almost a 500% increase in the membership roster and in the size of the annual grant, annual operating expenses have risen less than 30% to roughly \$110,000. Cost increases during this growth period have primarily been attributable to increased costs of clerical and professional services and the decision to engage legal counsel to assist in the drafting of grant agreements with grant recipients. Now that the organization has reached its full capacity, it is anticipated that any future changes in expenses will be nominal.

Annual costs include the services of a professional grant consultant (almost half the operating budget), accounting, audit, insurance, and correspondence costs. The foundation pays no rent as it is run out of donated office space in the founder's home, and whenever possible, email is the preferred method of communication, thereby keeping mailing costs down. Also, members and other individuals provide ongoing in-kind donations for Web site design and maintenance, graphic design, meeting expenses, public relations, and some legal services. The grant consultant, who also joined as a member, provides invaluable guidance and training during the grant selection process. With only one large grant per year, the organization cannot afford to make a mistake.

KEYS TO SUCCESS

In the 7 years since inception, Everychild Foundation has raised and targeted approximately \$5.5 million in giving toward a wide variety of children's needs, while minimizing tremendous fund-raising costs typical of most nonprofits, both in terms of dollars and time. It has also tapped effectively into a network of Los Angeles women interested in effective giving. They are attracted by concrete, demonstrable results.

The success of the Everychild model is primarily because of four factors. First is a lack of an institutionalized hierarchy; every woman donates the same amount of money and has an equal vote in the final grant decision. Members have frequently expressed how refreshing it is to participate in a charity where donors are not categorized and treated differently according to the size of their contributions. They also appreciate the existence of term limits on grant board positions that allow anyone interested an opportunity to serve.

A second reason is the high degree of feedback the members receive from the grantees. Each grantee must sign a grant agreement with Everychild before funds will be dispersed. The agreement delineates a reporting schedule for the project's accomplishments. An Everychild monitoring committee is then charged with the task of making certain the grantees fulfill the terms of these agreements and reports back to the rest of the membership. This strong accountability system, which is built into each grant, gives the women a high degree of confidence in Everychild.

Third, the foundation has built-in flexibility to accommodate the time demands on a contemporary woman's everyday life. Everychild provides opportunities for as much or as little involvement as a member may choose. If her time is limited, she may simply contribute funds and cast a vote in the final grant selection. Voting is done through the mail. If she desires, she may also attend the annual session where the two finalists present their proposals and members participate in a roundtable discussion following the presentations.

For those interested in more participation, there is a continuum of opportunity. Sitting on the grant committee requires the largest time commitment. On average, each member puts in roughly 20 hours per month, with the chair's time commitment closer to 35 hours monthly. This group spends the year narrowing more than 30 proposals Everychild receives down to the final two presented for vote of the entire membership. The year begins with members conducting outreach to agencies in the community to submit proposals. Next, members examine financials and other relevant documents, perform site visits, and evaluate the capabilities of the applicant boards and staff. The grant committee also discerns whether or not the proposals at hand effectively address the need being addressed and whether or not the grant fits the Everychild grant criteria.

In addition to the grant-screening process and grant monitoring, women with different interests may help plan the evening salons, prepare the annual newsletter, or arrange an annual community service day for the members' children to help impart to them the concept of giving back. As members have become more educated about the particular children's issues the Everychild grants have addressed, a new public policy committee has been added where members are learning how to advocate for legislation relating to these issues. Members have joined community panels, have entered into discussions with state legislators, and have engaged in letter and editorial writing to advance policies toward easing suffering of children, the Everychild mission. To date, most of the focus has been on the needs of youth aging out of the foster care system and public investment in children aged 0 to 3.

As the available time a member has might vary from year to year, especially given potential career shifts, arrival of children, and other life changes, each member is free to pick and choose among these various involvement opportunities. Regardless of the level of activity within the organization, the women of Everychild continually express that their membership has helped to inform all of their other charitable gift making by teaching them the important questions to ask about potential grantees, and by exposing them to a wider variety of need areas and agencies.

A final reason behind Everychild Foundation's success is that the members say the giving network taps their skills and intellect for a "good cause." They seem to relish the opportunity to learn about children's causes and to apply critical thinking during grant selection or when evaluating the performance of an existing grant. Many who have served on the grant board have also

reported that they have learned newfound respect for women of different career backgrounds and life experiences. Each adds her own unique perspective to the grant debates.

LEVERAGING FOR WIDER IMPACT

The general term used to describe a group where members pool charitable donations and democratically select the grantee or grantees who will receive the funds is a "giving circle." It can be composed of just a handful of members or hundreds like Everychild. It may target any demographic group for membership or admit anyone. It may also set any price point for contributions and can designate any type of causes for its grants. Giving circles are gaining in popularity in the United States, particularly among women. Currently, it is estimated that there are at least 400 in existence.

According to the Forum of Regional Associations of Grantmakers, Everychild Foundation is one of the larger giving circles of which they are aware and one of the most successful in terms of amount of dollars granted. Of the 160 giving circles they surveyed in 2006, Everychild alone was responsible for 7% of the total dollars granted. But what truly makes Everychild stand out as a prototype is its success in *leveraging* its grants. Everychild only seeks out projects and/or organizations that are prototypes themselves and can inspire replication either within the community, nationwide, or even worldwide.

A good example of this leverage is Everychild's 2001 grant to establish the mobile dental clinic. Now 5 years later, there are four such clinics in operation by the grantee, QueensCare. The clinic, which is staffed by the University of Southern California School of Dentistry, was selected to help demonstrate to other potential funders the extensiveness of dental disease among poor, urban schoolchildren.

In its first months of operation, the clinic saw almost 700 second and third graders, 65% of whom had never seen a dentist and most of whom had never owned a toothbrush. During that time period, the dentists filled more than 500 cavities, performed almost 150 root canal procedures, inserted more than 150 crowns, and extracted more than 175 teeth. The participating dentists expressed shock at the extent of the children's poor dental health and the sheer volume of children in need of serious dental care.

As a result, QueensCare sought out other local foundations to fund additional mobile clinics to work alongside the Everychild vehicle. The efforts were successful, and the Los Angeles-based Weingart, Keck, and Ahmanson Foundations supplied grants for the purchase of two additional clinics. The University of Southern California also donated a vehicle, and today all four clinics are actively in service. QueensCare has increased its operating budget for the program by 300%. To date, the four mobile dental clinics together have performed more than 12,000 exams and procedures, a vast increase over what would have been achieved with just a single mobile clinic. They

have also provided thousands of children with dental hygiene kits and instruction, and, this year, have now extended care through the sixth grade.

Aside from this “leverage by design,” Everychild has created a kind of “philanthropic multiplier effect.” Everychild Foundation has served as the direct inspiration for the creation of at least six new charitable groups, including The Women’s Fund of Santa Barbara, benefiting families and women’s causes; The Nevada Women’s Philanthropy Foundation serving children in need; Today and Tomorrow Children’s Fund at UCLA’s Mattel Children’s Hospital, supporting medical research projects; Women Helping Youth assisting needy Southern California children and young adults; AVIVA Platinum Associates serving at-risk youth; and Blue Heron, which provides for Romanian orphans. The latter two groups were founded by Everychild members.

ADDITIONAL EFFECTS

Everychild has a team of 20 trained by a professional consultant, plus the consultant herself. This has helped Everychild to garner a reputation as having one of the most thorough grant review processes in Los Angeles. Directors at other prestigious local foundations have stated that if a project can survive Everychild’s review process, it must possess merit. Consequently, a number of these projects have received the attention of other philanthropists in the community, resulting in significant grants. In addition, in four instances, individual Everychild members provided very substantial grants to the grant runner-up candidates, enabling the launch of those projects.

Family members of Everychild women have also become inspired by the foundation and its accomplishments. Although they do not directly participate in the grant selection process, they are encouraged to attend project dedication events, salons, and the hands-on community service day. Many family members have expressed how much they have learned by attending these events and how it has stimulated discussion at their dinner tables about children’s issues and philanthropy. The result often has been an increase in the nature and depth of their own charitable activity.

As a result of this involvement, some family members have begun exploring founding organizations of their own similar to Everychild. The Everychild model need not be the exclusive domain of women. The basic model does not rely specifically on gender, and can be transferred to other demographic groups. It also lends itself to a range of programmatic foci.

When Everychild was founded, the main goal of its founding members was to provide an alternative way in which women could make an impact in their community by maximizing their talents, skills, and backgrounds, all within a democratic decision-making structure. It was also hoped that the members would be able to become more knowledgeable in the process about the issues facing the community to inform their other philanthropic endeavors.

Aside from that, the founding members did not expect new members to desire much more from the organization because it was specifically designed to accommodate those without a lot of disposable time. However, because of the group's highly democratic structure, a large number of the members have developed a strong "sense of ownership" in the organization. They provide suggestions as to how to improve or expand the work of the organization. Those considering the model should recognize the importance of this democratic structure and its implications to the decentralized nature in which it appears it must operate to be successful.

This organizational structure has also engendered a sense of leadership among its members. Members often express that the group has given them a chance to take on leadership roles for the first time in their lives because the lack of an entrenched hierarchy prevents them from feeling intimidated.

Now entering its 8th year, the Everychild Foundation seems to present a strong example of a successful, efficient, leveraged, giving format. It can be replicated among interest groups seeking a democratic, decentralized, and involved approach to giving, and does not appear to be cause specific. In Los Angeles, it has enabled women who are philanthropically minded to join together by pooling their brain power and financial resources. They say that this, in turn, has given them a chance to have a larger impact in the community.

With its democratic voting system and flexibility, the model is inclusive and fits within a busier, contemporary lifestyle. Its formula has enabled its members to feel a sense of pride in the organization and inspired many to venture further into the philanthropic world on their own. Its system of accountability can increase member or donor confidence that their dollars are well spent. To wit, the Everychild Foundation model offers a worthwhile organizational form to be considered both for independent giving groups, and for established organizations that would like to attract potential donors looking for high-impact giving in new ways. Finally, the organization also provides a potential source of useful data for those studying philanthropic approaches, and gender-specific giving.

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