

2 Tech Giants Put Money and Silicon Valley Ideas to Work to Boost Giving

By Marc Gunther



PRASHANT PANJIAR/BILL & MELINDA GATES FOUNDATION

Melinda and Bill Gates's foundation started the Giving by All project to seek innovative ways of increasing the amount and effectiveness of Americans' charitable donations.

The raw numbers are big: Individuals gave \$282 billion to charities last year, according to the "Giving USA" report released last week.

But charitable giving as a percentage of national income has remained flat for decades, despite countless efforts — the ice-bucket challenge and Giving Tuesday among them — to persuade Americans give more.

Undaunted, the Bill & Melinda Gates Foundation and the family foundation led by Jeff Raikes, a former Gates Foundation CEO who made his fortune as the longtime president of Microsoft's Business Division, have quietly started efforts designed not merely to increase the quantity of giving but to assist people who want to make more of a difference with their charity dollars.

As befits their roots in the technology industry, both foundations bring to bear the reach of the internet, the power of big data, the insights of behavioral science, and the principles of human-centered design (which means observing how people act, rather than asking them about their

behavior).

The Gates project, called Giving by All, commits some \$2 million to \$3 million a year to about 10 charities that are trying to figure out smart ways to increase the share of income Americans give beyond 2 percent annually, a figure that has long remained unchanged. In contrast to the Giving Pledge, which Bill and Melinda Gates and Warren Buffett launched with fanfare in 2010 to inspire more giving by billionaires, Giving by All has been operating beneath the radar.

Victoria Vrana, a senior program officer at the Gates Foundation, acknowledges that the challenge of persuading Americans to give more of their income to good causes is challenging.

"There have been all kinds of innovations in fundraising over the years, yet the overall level of giving has not really changed," Ms. Vrana says. "We're not walking into this presuming that it can be done."

Smarter-Giving Apps

The Raikes Foundation plans to focus on high-net-worth donors, which it defines as those earning or willing to give at least \$1 million a year, as part of its Impact-Driven Philanthropy Initiative. It's a personal interest of Mr. Raikes, who saw an opportunity to influence giving when he left the Gates Foundation in 2014.

"In business, there's a lot of work and a lot of resources that go into determining what is more efficient and effective," he said at the time. "In comparison, there's not much that goes into philanthropy."

His foundation, which he started with his wife, Tricia Raikes, has so far committed \$2.4 million to efforts to stimulate giving by the wealthy. It has assets of about \$138 million.

Last week, the Raikes Foundation unveiled Giving Compass, a website and mobile app designed for donors who want their charitable gifts to achieve greater results.

"Our push is on giving better," says Stephanie Gillis, a former managing director at philanthropy-consulting firm Arabella Advisors who joined the Raikes Foundation this year to oversee its work to spur giving.

Giving Compass will create opportunities for philanthropists or would-be philanthropists to develop and carry out their own strategies; help them ask the right questions of charities; point them to trusted evaluations of nonprofits; and enable them to connect with one another, online or at local gatherings.

The site was developed with the Effective Philanthropy Lab, a small group of experts at the Stanford Center on Philanthropy and Civil Society that gets funding from both the Raikes and Gates foundations.

"We think of ourselves as an R&D lab on high-net-worth donors, where we're trying to understand their needs, motivations, and behaviors," says Nadia Roumani, its director,

In-Depth Searches

Paul Brest, a co-director of the Stanford philanthropy center, worked with the lab and SV2, a high-powered Silicon Valley giving circle, to design an online course in philanthropy that will be part of the Giving Compass.

The course has gone through several iterations and, in true Silicon Valley style, will evolve based on user feedback, he says.

A former president of the William and Flora Hewlett Foundation, Mr. Brest knows better than most how challenging it is to nudge donors to give more by encouraging them to focus on results and the performance of specific charities.

From 2006 to 2014, while he was in charge, Hewlett spent about \$12 million on grants that supported organizations such as GuideStar, Charity Navigator, and GiveWell to collect high-quality information about nonprofits' performance. When the effort fell short of its publicly stated goal — that 10 percent of giving by individual Americans, or about \$20 billion, be influenced by high-quality evidence — it was shuttered.

Still, there are signs that more donors are using their heads as well as their hearts to guide giving decisions. In 2015 about 9 percent of donors said they compare organizations before making charitable gifts. according to the most recent "Money for Good" report by the Camber Collective, a Giving for All grantee that does periodic, in-depth research on donors. That's up from 6 percent in 2012 and just 3 percent in 2010.

"That, to me, is a stunning victory," says Jacob Harold, who led the Hewlett Foundation's work on evidence-based giving and is now the chief executive of GuideStar.

Reaching Donors

Unlike Hewlett's effort, which largely depended on donors to actively seek out information about charities from third-party sources, Gates's Giving by All grants are aimed at reaching donors who are already engaged in workplace-giving programs, commercial donor-advised funds, or online giving via sites like Facebook and PayPal.

"We want to test ideas out in real time on big platforms that scale, to give us deeper insights," Ms. Vrana says.

So, for example, the 92nd Street Y, a Gates grantee that created Giving Tuesday, organized a contest on Facebook called #MyGivingStory to spark public discussion about why people give and, potentially, test the hypothesis that stories can help catalyze greater philanthropy.

"Part of the goal of Giving Tuesday is to drive intention and meaning and conversation," says Asha Curran, chief innovation officer at the 92nd Street Y. The organization collected hundreds of stories and analyzed them with help from data-science charity DataKind to better understand donor motivations.

The power of storytelling is also being tested by GreatNonprofits, another Gates grantee, which found that it can drive up donations by posting videos on its website in which people explain why they give.

"It lifts all boats when people talk about their giving," says Perla Ni, the founder and chief executive of GreatNonprofits.

Giving by All has also commissioned the Women's Philanthropy Institute at Indiana University's Lilly Family School of Philanthropy to do 12 to 15 research papers about how women give, including a study of giving circles, where people share their giving experiences.

Other Giving for All grantees include Global Impact, to support its Growfund, a donor-advised fund for the masses that recommends high-performing organizations in a range of fields; DonorsChoose and Global Giving, which have tested the impact of contests, matching grants, and third-party endorsements on their email appeals; Network for Good, for matching funds on Giving Tuesday; and Ideas42, a behavioral-science nonprofit that is helping on-the-job giving efforts test the impact of goal-setting.

"Normally what people do is that they give when an impulse strikes them," says Piyush Tania, co-executive director at Ideas42. "What happens if you ask people to set a goal for their giving for the coming year?"

Raikes's grantees include global donor networks the Philanthropy Workshop and Social Venture Partners International. Paul Shoemaker, founding president of Social Venture Partners, is working closely with the Raikes team. Both the Gates and Raikes funds say they will share their research widely.

No one involved in this work expects to fundamentally change the way most Americans give. But some say even small changes in giving habits could have a big impact.

As GuideStar's Jacob Harold puts it: "Giving is fundamentally an emotional and reactive act. We're working at the margins."

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