



# Creative Chaos - How Giving is Changing in 2020

GoodCitizen had a chance to sit down with Alix Guerrier from GlobalGiving to explore how giving has changed in 2020.

***Let's jump right in ... how is giving changing?***

One piece of recent news is Charity Navigator's acquisition of ImpactMatters, the giving site co-founded by several people including Dean Karlan, a prominent economist known for his work at the intersection of philanthropy and impact. This is part of the story of the evolution of how people are thinking about giving.

And it is part of a number of different trends that, frankly, may not all be pointed in the same direction, yet I think are part of a period of creative chaos.

***What are some of these trends?***

Let me just name three of them:

1. The rise of effective altruism. This is the theory under which people choose where to give based on measured, quantitative impact. This makes intuitive sense. It also makes a lot of practical sense. In many ways, it's a natural extension of the professionalization of giving that has been underway for decades now. One of the big catalysts here was the emergence of the Gates Foundation, which not only added new scale, but also applied analysis and deliberate experimentation to how to model and focus their giving. But where effective altruism has been pretty highly technical requiring quite a few resources, there are now tools allowing this philosophy to reach more of the masses, to be more accessible. This impacts everyday givers.
2. The rise of trust-based philanthropy. That's both a phrase with capitalization - Trust-Based Philanthropy is an existing partnership - and in a sense also a lower-case phrase, just as a general concept. As regards the lower-case phrase, the idea is that actors, even if they have the dollars, do not necessarily know how to navigate the needs of beneficiary communities. That maybe the best thing to do is find social change agents who you trust, and then trust them. For me personally, this resonates. In my prior role as a founder of an education social enterprise, we had to ask for a lot funding, and those who invested did so based on what we said in our deck. But, on the front lines of getting something started, we would often learn that we were wrong about core assumptions. We had to respond to the market. And we learned many of our investors had not just invested in a deck; they had also invested in us, trusting us to navigate based on what we were seeing. This kind of support enabled us to really succeed. There a way to bring some of this kind of trust to teams in the social sector. They are listening to their markets, to the communities they are serving, in which they are embedded.
3. The rise of scaled empathetic giving. GlobalGiving is having its biggest year ever supporting causes around the world. We raised a little more than \$60 million last year, and this year we are tracking to over \$100 million. Of course, a big part of this is response across the board to Coronavirus. This is coming from individuals, large donors, celebrities, corporate foundations. People are responding to that fact that while everyone is affected, the disparity of the impact cannot be overstated. People understand that communities and geographies that were in need

even before the pandemic, that already had profound needs, have just seen their needs dramatically exacerbated. And I am witnessing an amazing, inspiring response. People are responding with innovation, creativity, and generosity. So the fact that we are having a biggest year is a benefit to our nonprofit partners, and is also fundamentally a story about how people come together. This is not about us doing magical things. We are channeling.

### ***What's an example of these trends in action?***

I can talk a bit about our organization. At GlobalGiving our mission is to transform aid and philanthropy to accelerate community-led change. We have been trying to attach more meaning to the phrase “community-led”. It is something we talk about every day.

On one level, it directs us to partner with change agents who are authentically *in* the communities. But the phrase community-led also has implications for us internally. It is a filter and perhaps even an ethical constraint. If we apply it to ourselves, it leads to questions - and some answers - about how we engage in funding relationships. We exist to provide financial support to our thousands of project leaders around the world, in 170 countries, who are leading life-changing and life-saving work. As we get them the funds they need, we find we need to be very intentional about designing processes that do not distract them, that do not steal attention away toward us.

With this as backdrop, when COVID hit we responded by piloting a microgrants program. We said, 1) the need is real, today, speed is important, 2) we know and trust our project leaders around the globe, so 3) let's just make this as simple as possible. These leaders are already maxed out, just dealing with their organizations and personal lives, in the midst of a pandemic. They don't need another application or process. So we said, “Send no more than three sentences, and you will be eligible for a \$1000 grant.” The end. This pilot was a real success, and we have since added some partners to this, and now the program is

approaching \$500,000. Sarah Blakely at Spinks has recently done something similar, with \$5 million for the Red Backpack Fund, for women entrepreneurs.

### ***What's been hard to figure out this year?***

We are going through a lot of introspection about what we fund. No one expected COVID, but as an organization we have a lot of experience with disasters and felt we knew how to act and mobilize. So, we launched our COVID relief fund in January, with a narrow focus on China at first, and it has grown from there. But of course another part of 2020 has been the focus on racial justice, especially following May and June. In contrast to COVID, we did not immediately respond. And that's despite having a black CEO. We were like so many organizations, doing a little bit of throat clearing, trying to find our way. I can say we are making progress, having added new fundraising theme areas that are resonating on racial justice and populations experiencing the greatest need. And we are living our values of being community-led, seeking input from the communities themselves. If the process were too easy, I'd be worried it might be leading to the wrong answer. We'll keep working on this every day.

### ***What's on your mind as you forge ahead?***

Part of the creative chaos that we are living is knowing and embracing that good ideas can come from anywhere. A team in a conference room will not necessarily produce all of the best ideas, all the time. I think that, in some ways, community-led experimentation stands in tension with the randomized control trial driven approaches. I feel optimistic about the interplay of these two approaches. The physicist Niels Bohr once said something like, "The opposite of the truth is a falsehood. The opposite of a profound truth is another profound truth." Both approaches have a place, and the interplay will produce an even deeper understanding about the best ways to support change.