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SEPTEMBER 15, 2007

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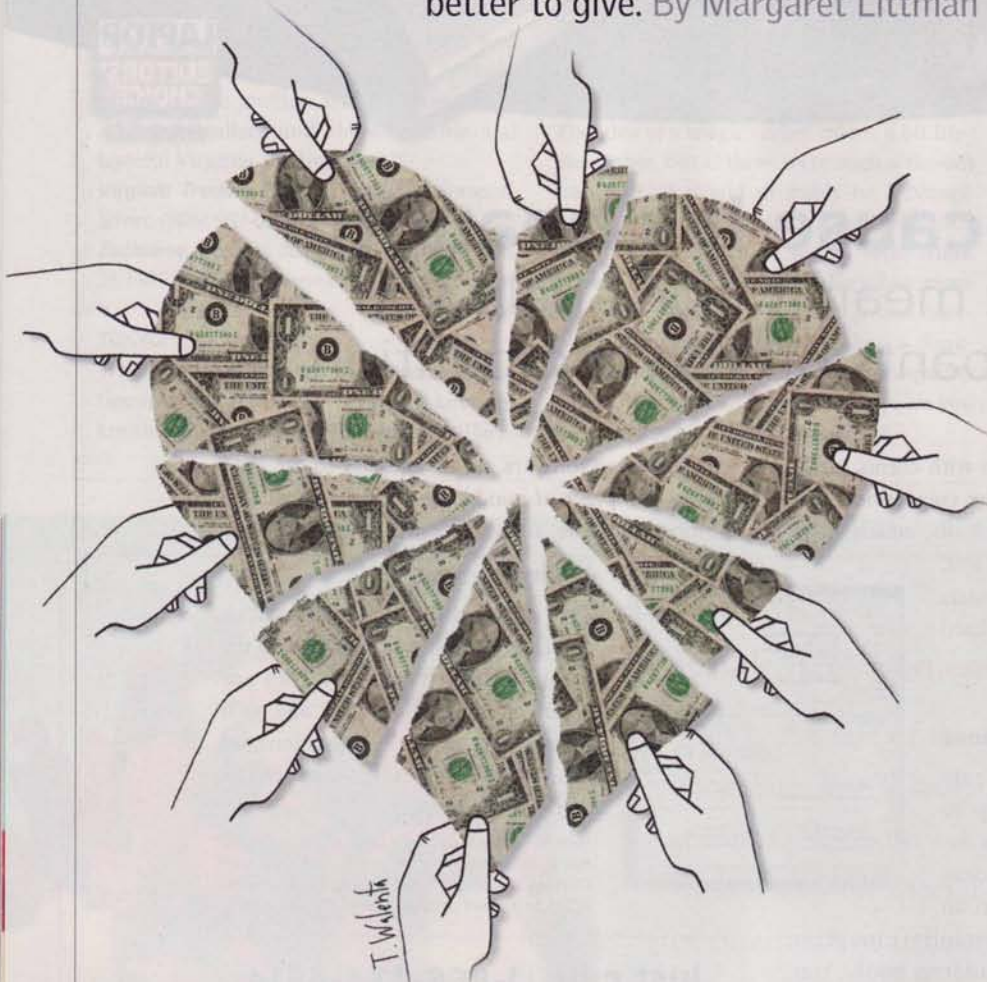
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Little Rockefellers

Philanthropy with a group mentality

The Power of Many

A new trend in philanthropy is showing even those without Rockefeller-sized assets that it's better to give. By Margaret Littman



WHEN MOST PEOPLE fantasize about a major grant, they usually focus on being the recipient of a financial windfall. But Kerry Whitacre Swarr and her friends daydream a little bit differently. They imagine being in a position to *give* that kind of life-changing money to somebody.

Whitacre Swarr and her friends run the B'More Fund, a group that grants three or four annual gifts of \$5,000 each to social entrepreneurs who are making a difference in Baltimore. Over the past five years, recip-

ients of the B'More windfall have included a founder/director at a shelter for homeless veterans and the artistic director of an improv theater group, neither of whom knew they were up for such an award.

"One woman who worked in child care said that she felt like Cinderella when we gave her the money. She had worked her whole life in the public sector with these kids, and someone was finally recognizing what she had done," says Whitacre Swarr. B'More gives the money in a Publishers

Clearing House style: They bring a big check to the unsuspecting do-gooder's place of business out of the clear blue.

B'More is a giving circle, one of a growing number of groups that those in the know say could have a significant impact on charitable giving in this country. "Giving circles are seen as a way for people to get their feet wet with philanthropy," adds Whitacre Swarr.

A giving circle is essentially the warm-and-fuzzy version of a stock-investment club: Think of a quilting bee with check-books. The group pools their funds for the purpose of donating to a common philanthropic cause, based on the principle that the larger, combined donation goes further than several smaller individual checks. In the case of B'More, the awards are funded by the collective investment of a group of 50, each of whom gives \$500 annually.

Like stock clubs, which vary in their required financial commitments and in their investment philosophies, giving circles vary according to the wants and needs of their members. The Jewish Women's Foundation of Metropolitan Chicago is among the most structured in the country: It now has its own 501(c)(3) status. On the other end of the spectrum is Dining for Women, in Greenville, South Carolina, a group that gets together for monthly dinners, kicking in what they would have spent on a meal out as their donation toward their common cause.

Some groups, like B'More, have members seek out potential recipients, while others solicit proposals from nonprofits in need. In most cases, the recipients are local and report back to the circle on how the funds were used, a step that strengthens the bond between donor and donee.

BECAUSE EACH GIVING circle sets up its own guiding principles, with or without a formal charter, it is difficult to know exactly how many circles are out there giving back to their communities. New Ventures in Philanthropy, an initiative of the Forum

of Regional Associations of Grantmakers (based in Washington, D.C.), estimates that there are more than 400 giving circles in the United States. Its 2006 survey found that 160 circles had granted almost \$65 million (an increase from 2004, when 77 giving circles gave more than \$44 million).

According to Daria Teutonico, director of New Ventures in Philanthropy, more

than half — about 61 percent — of giving circles are composed primarily of women. But there are all-male groups, including A Legacy of Tradition in Raleigh, North Carolina. Others, such as African-American or Latino circles, are made up of members of tight-knit communities.

“Giving circles are still a popular form of giving for women, but they aren’t only for

women. We have seen growth among communities of color. When circles started five or six years ago, there were a lot of soccer moms, but it has gone beyond that, to the next generation,” Teutonico says. The Giving Circle of HOPE is a group of 90 women in Reston, Virginia; they are mentoring their children — many of whom are recent college graduates — to start their own circle.

Helping How-tos

Founding your own giving circle doesn’t require as much paperwork as, say, taking your company public. But it is more complicated than simply writing a big check to your alma mater. (The Reston, Virginia, Giving Circle of HOPE has 10 pages of bylaws.) “There really needs to be a certain amount of structure, and as they get larger, they need more structure,” says Darryl Lester of Hind-Sight Consulting in Raleigh, North Carolina. Ask these questions during your start-up phase.

1 Who will be your members? Will you limit the group to members who have common characteristics? Will you limit the group size? (Lester thinks 20 to 25 should be the limit for a new circle.)

2 What do you want from your members? How much should everyone donate? Will administrative tasks rotate through the group or be assigned to elected officers?

3 Who will benefit from your largesse? Will you give only to local groups? To those focused on cancer research? To 501(c)(3) groups?

4 How will you choose? Will nonprofits send in proposals or make presentations? Or will your members research and make recommendations?

5 How will you administer the money? Donor-advised funds and charitable-gift funds are two of the more popular choices. Some circles align with community foundations to access such funds.

6 Don’t make the group all about the money. The collected time, talent, and know-how of the group members can benefit others too.

For more advice from the Forum of Regional Associations of Grantmakers, visit www.givingforum.org/givingcircles. Finally, even if you don’t have the time or inclination to start or to join your own circle, you may still be able to get involved. Lester suggests that CEOs and others in leadership positions can help employees start giving circles at work or can match their employees’ contributions to off-site circles in order to keep the corporate giving going.

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GROUP GIVING

The next generation has also been the focus of Darryl Lester, who has been called the Johnny Appleseed of giving circles. Through his company, HindSight Consulting, Lester has helped start nine circles (in Raleigh; Birmingham, Alabama; New Orleans; and elsewhere), putting an emphasis on bringing more African-Americans into the charitable world. In Charlotte, North Carolina, Lester helped a group of young executives get started. He says the buzz from participating in a giving circle is akin to a philanthropic high.

"People can give to the United Way at work, but they don't get excited about it," he says. "What I recognized was that only certain people were asked to be involved in philanthropy. This changes that."

Lester and others see a pattern of influence: People who are first introduced to nonprofits through a giving circle often become more involved in philanthropy by joining boards of local nonprofits, participating in other volunteer projects, and bringing peers into the philanthropic world. Approximately 50 percent of those who receive B'More grants, for example, end up joining the circle in order to help fund the next round of grants.

"We did not know what we were going to find when we did our first [survey], but our gut told us that this is really tapping into the sense of people feeling disconnected from their community," Teutonico says.

Buffy Beaudoin-Schwartz, director for the Baltimore Giving Project, an initiative of the Association of Baltimore Area Grantmakers, thinks recent headlines about charitable works by big names like Warren Buffett and Bill Gates have increased interest in giving among average Joes. "People are starting to understand that they do not have to have the type of money the Gates family has to have an impact. That is so exciting," she says.

For Whitacre Swarr, who works in public service and has limited disposable income to give, what's exciting is being able to see her dollars have the kind of impact that much larger donations have. "Every single time I explain this to someone, they think it is such a cool thing to be a part of. And it is. It is filled with fun and joy." **AW**

MARGARET LITTMAN is a Chicago-based writer whose work has appeared in *Wine Enthusiast*, *Art & Antiques*, and *Forbes Traveler.com*.

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