

Understanding the impact of the TFN giving circle model in Central and Eastern Europe



Prepared by

Jason Franklin, PhD
WK Kellogg Community Philanthropy Chair
Johnson Center for Philanthropy

Jessica Bearman
Principal
Bearman Consulting

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Introduction

In October 2011, Walter Viers of the Charles Stewart Mott Foundation approached The Funding Network (TFN) about the possibility of a hosted visit by a group of Mott grantees from Central and Eastern Europe (CEE) at a forthcoming TFN giving circle event. The group, which included business leaders and representatives of civil society organisations, was looking for ways to encourage individual philanthropic giving. It was hoped that the giving circle model might be a useful tool in this respect.

After multiple visits and ongoing conversation, in 2012 TFN instituted a new programme – TFN International – through which it formalised its support for civil society organisations in CEE and in other parts of the world, by offering hosted visits, workshops and technical assistance, access to materials and resources, on-going mentoring and support and the promotion of new groups through its website and other channels. TFN International’s activity in CEE is funded by CSMF.

As TFN International approaches the end of its 5th year, 40+ giving circle groups have been established in CEE alone, hosted primarily by community foundations and youth banks and holding on average 1-2 events every year mainly in the autumn/winter period. This represents a large enough number of groups and a fast enough take up of the TFN model that we can reasonably assume that it has value and that there is scope for further expansion both within existing countries and in new countries. This is confirmed by feedback from our national partners.

However, both TFN International and its national partners all desire to better understand the impact, benefits, and opportunities for growth with the TFN model in the region. This evaluation incorporates surveys of donors, event hosts and beneficiary organisations as well as interviews with national partners to provide new insight into the impact and value of the giving circle model on CEE civil society and new insights on how this model can be refined and expanded in CEE and in other regions.

Methodology

This evaluation focused on TFN events organized across eight countries in Central & Eastern Europe (as shown in the map to the right).

To complete this evaluation, the team gathered deep information about the design and execution of events in each country via extended semi-structured interviews with the national partner in each country.

Additionally, drawing on research conducted in part by the evaluation team of giving circles in the United States, three surveys were designed for TFN CEE. Each survey was translated into eight local languages and distributed via national partners to:

- Donors who attended a TFN circle in the last year
- Beneficiary NGOs featured in a TFN circle in the last year
- Host organizations in five countries

Response rates, which significantly exceeded the original evaluation targets of 120 donors and 48 beneficiaries (note: no beneficiary surveys were completed in Romania or Bulgaria so the results represent only 6 countries for all three surveys) are shown below. Despite our high response rates, the small sample sizes prevent meaningful circle-by-circle quantitative comparisons so all results are shared at the country and overall region level only. Additionally, we achieved almost 100% response rate for hosts, although this survey was only sent to 6 countries as the national partners whom we interviewed directly organized the TFN events in Serbia & Turkey.

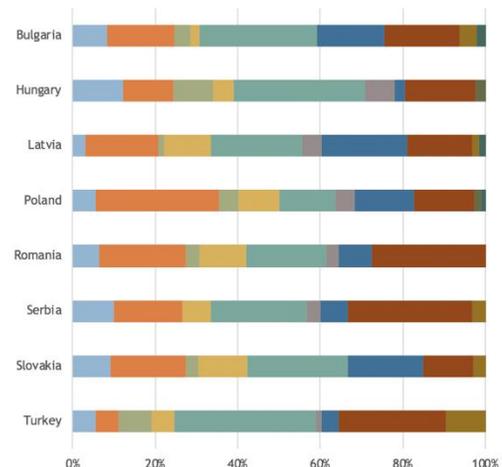
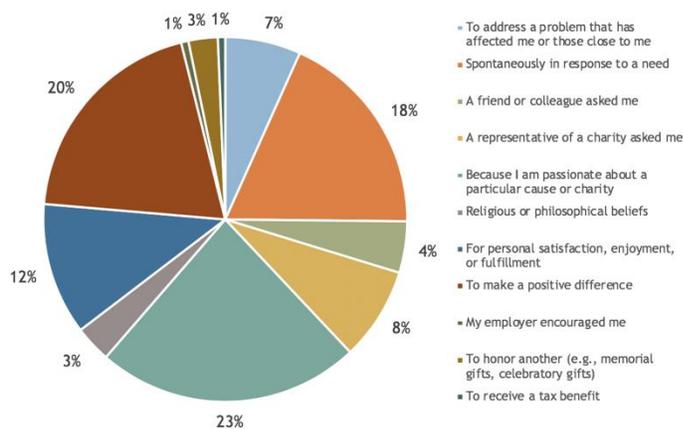


	Donors	Beneficiaries	Hosts
Bulgaria	35	--	12
Hungary	35	9	8
Latvia	44	8	8
Poland	72	12	8
Romania	37	--	9
Serbia	17	5	--
Slovakia	24	6	1
Turkey	58	11	--
Total	322	58	46

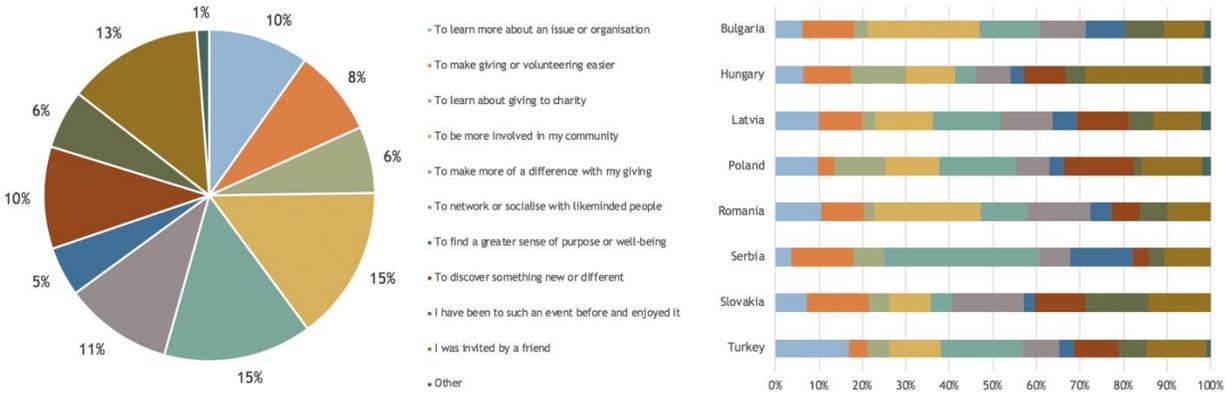
Interviews with TFN partner organisations, many of which are also Event Hosts, surfaced common themes about effective approaches to promoting TFN events in their regions, hosting events, the impact, challenges, and how TFN International has supported their work.

Understanding the TFN Donor

First it must be noted that the universe of TFN donors is already charitably inclined with over 95% noting that they had given to a charitable organization in the last year. While the donors who participated in TFN are active givers, they report a wide range of reasons for their giving. Similar to their counterparts in Western Europe and the United States, donors reported that the top three reasons they gave was passion for a particular cause or charity, to make a positive difference generally, or spontaneously in response to a need.



Even more diverse are the reasons why these donors chose to attend a TFN event. While finding a greater sense of purpose or well-being and a desire to network/socialize with like-minded people were the most common reasons noted, all ten options offered donors received significant selections.

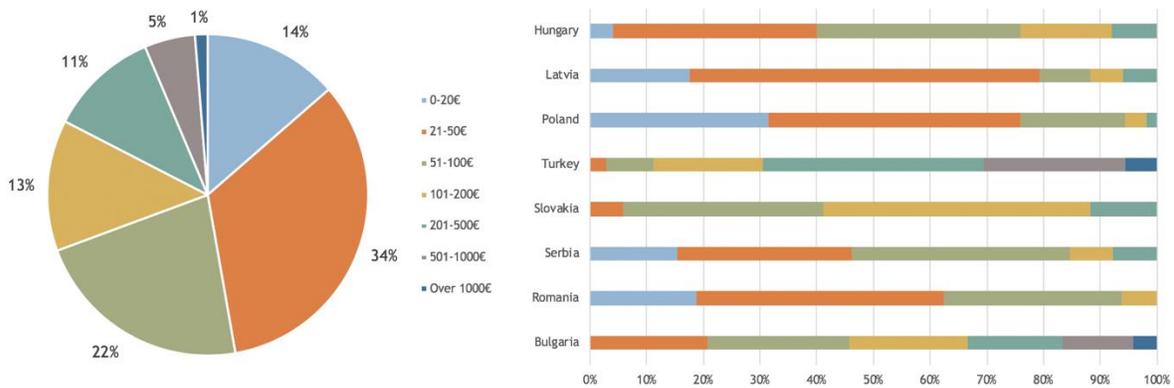


The impact of the TFN Model

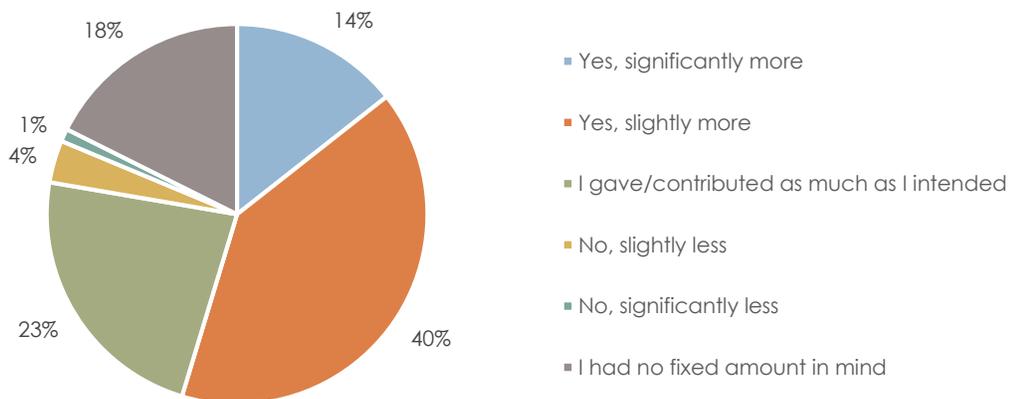
Hosts and partners were extremely positive about the impact of the TFN model, even as they were realistic about its challenges in their context. Among the benefits and impact that partners cited:

More donors gave more: All partners described events that attracted donors beyond the “usual suspects.” Many found that donors returned for additional events and became more open to supporting the community foundations after being exposed to it through a TFN event. Partners explained that the interactive, personal nature of the TFN event helped to alleviate the suspicion or mistrust that some donors feel when they are asked for money. “The organisations become personal and establish emotional connections,” said one interviewee, “and donors sometimes give more out of the emotional connections established.”

Over 95% of all donors who answered our donor surveys across the region indicated that they had given at a TFN event within the last year. They reported a wide range of gifts with the majority giving between €21-100.



Additionally, the majority (54%) of people who participated in a TFN event also reported that they gave more because of the TFN event. Of those who had a preplanned amount, two thirds gave more. Overall, we saw clear evidence the design and engagement of the TFN event based model moved people to greater generosity than they expect.



Even when donors did not have a lot of money, they were more inclined to become involved in volunteering, to engage their company, or to donate in-kind gifts, said partners. One in five (22%) offered to volunteer with a group they met at the event and, beyond time, many also are helping to make connections/introductions for the beneficiary groups (19%) or offering them advice for their work (15%). Finally, eleven percent (11%) are offering other types of in-kind support including a range of donated goods or services such as electrical and construction equipment, accounting services, and photography and video support.

Events build relationships and connections. TFN events are fun! Donors and beneficiaries were observed to build human connections and relationships as a result of the events. Interviewees commented that the opportunity to get to know each other over a glass of wine before and

after the event added an important social element that built relationships. The beneficiary groups also networked and got to know each other through the process.

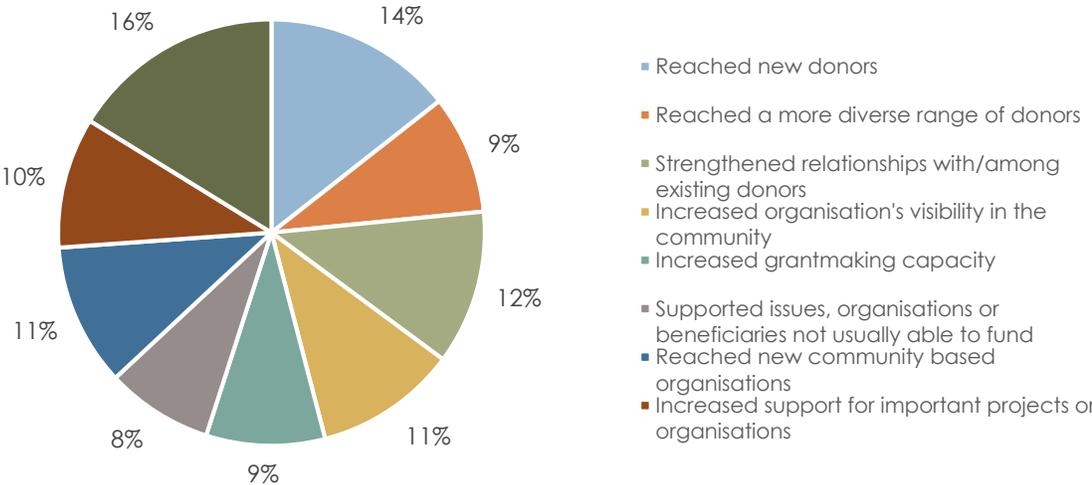
Events raised awareness and changed preconceptions about philanthropy. Partners felt that the TFN events expanded knowledge of what was going on in their cities. The events had the impact of giving donors a taste of philanthropy in an approachable, manageable way. “These events help people see that they can be donors without having... a lot of money,” said one interviewee. In addition, community foundations can be a challenging model to explain to donors who do not have a deep understanding of the nonprofit sector. “When I’m asking for donations for projects that have yet to start or even be developed it’s challenging. The TFN events helped us demonstrate what we really do - donors can see real projects and understand our work better,” said one interviewed partner.

Overall, event hosts noted a wide range of positive benefits from their hosting experience:

NGO participants benefited from funding and other support. Beneficiary organisations reported raising between 5-80 percent of their annual budget during the events. On average, NGOs raised 16 percent of their annual budget, according to our survey. In addition, about two thirds (62 percent) said that they raised their target amount. Of the groups surveyed, almost half said that they received additional financial donations after the event.

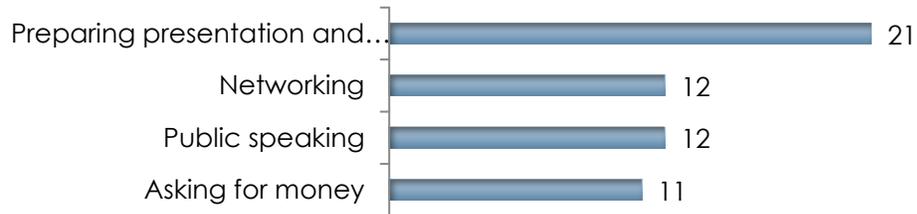
Several important benefits to the NGOs, beyond the financial resources, were mentioned. The majority of beneficiaries (71%) also received offers of volunteer support following the event and half received offers of in-kind goods and services such as electrical and construction equipment, accounting services, and photography and video support.

Hosts and TFN partners shared their observations that the preparation helped NGOs shift from a “begging for money” mentality to thinking about having a partnership with donors. In preparing to speak to donors at the event, NGOs learned to present themselves and their work



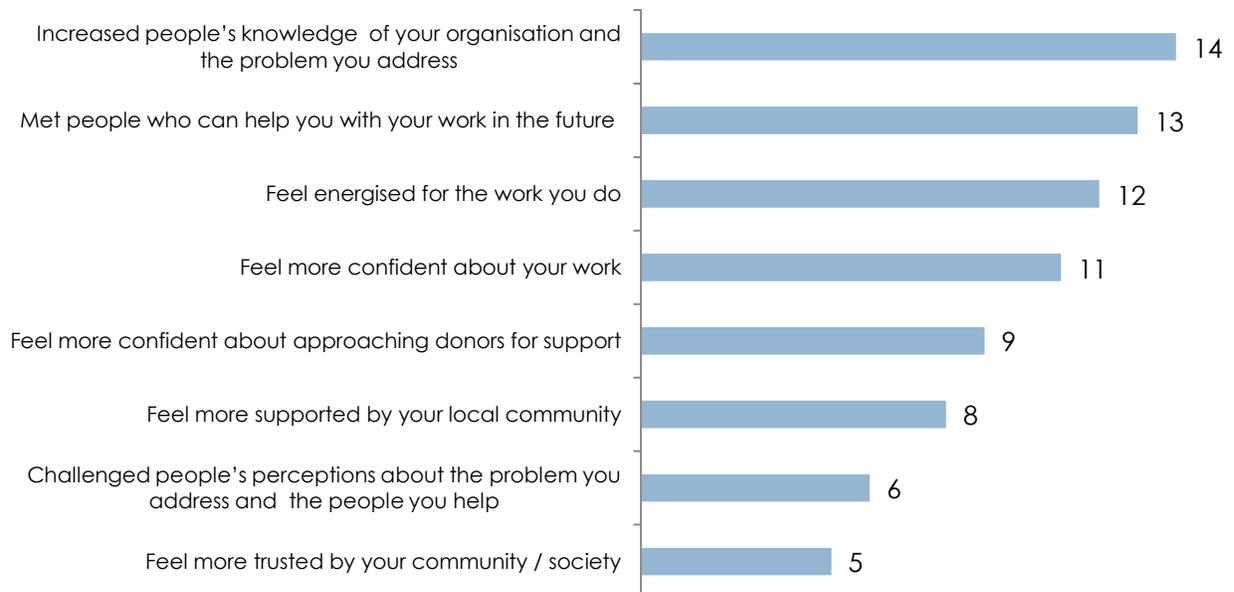
in a more compelling manner. After the events, partners noticed that beneficiary organisations carried this more interactive approach forward into their fundraising and donor engagement work. In survey comments, the beneficiary organisations echoed this theme, noting that they had gained new skills, including preparing a presentation to explain their work, public speaking, and networking.

New skills gained



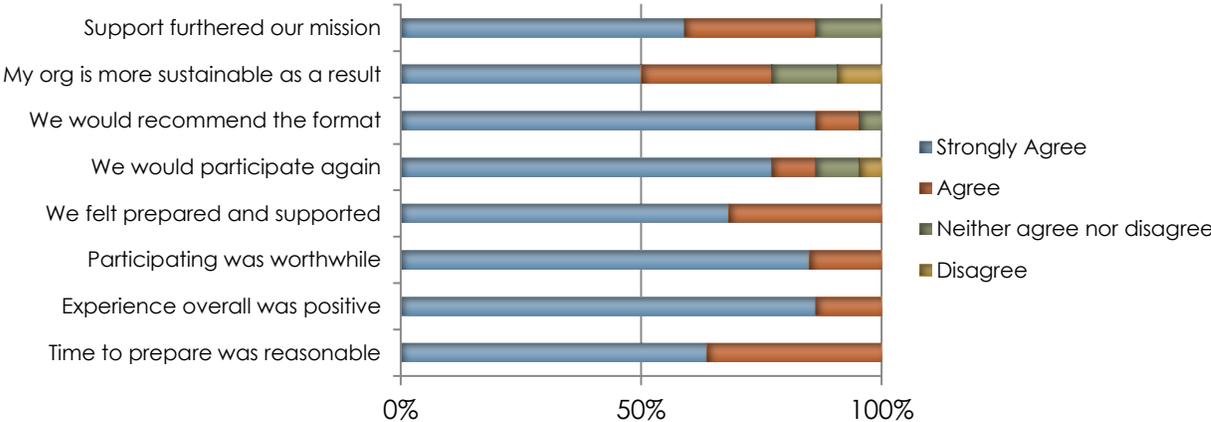
Overall, beneficiaries reported substantial positive outcomes of participation. The most commonly reported benefits were increasing people’s knowledge about their work, meeting people who could help with their work in the future and generally feeling more energized and confident in their work.

Positive outcomes of participation



Beneficiaries felt positive about the events’ potential to further their mission and increase their long-term sustainability. They overwhelmingly agreed that the experience overall was positive and that participating was worthwhile.

To what extent do you agree with the following statements?



Motivations: Why partners host & coordinate events

When asked about why they chose to engage with TFN and host and coordinate events in their home countries and communities, national and local partners reported a number of different motivations which were consistently reported across the entire region. These included:

Inspired by attending an event. Attending an event and seeing first-hand the impact and excitement of the model inspired many TFN partners to begin hosting their own events. “I liked the atmosphere, liked the energy of the donors, liked that every organisation received support and many received more than they even hoped - it was very inspiring,” said one partner organisation, reflecting a sentiment shared by many. The TFN Event model was felt to be highly motivating and effective and partners particularly appreciated five key aspects:

- **Ease:** The event model overcomes skepticism as donors can see the projects concretely and they can ask questions directly to the project leaders.
- **Connection:** Using the TFN model connected donors to local Community Foundations and helped them understand the charitable and philanthropic landscape.
- **Fun:** The emphasis on social connections, friendship, and fun
- **Results:** It is effective to see the results of the fundraising immediately.
- **Adaptable:** The flexibility and adaptability of the TFN Event model meant that it worked in many contexts.

Building their donor base, profile & a culture of philanthropy. Host organisations reported a wide range of reasons for why they signed on to organize a TFN event with the desire to reach out to new donors, raise their organizational profile and build a culture of philanthropy in their community as leading reasons.

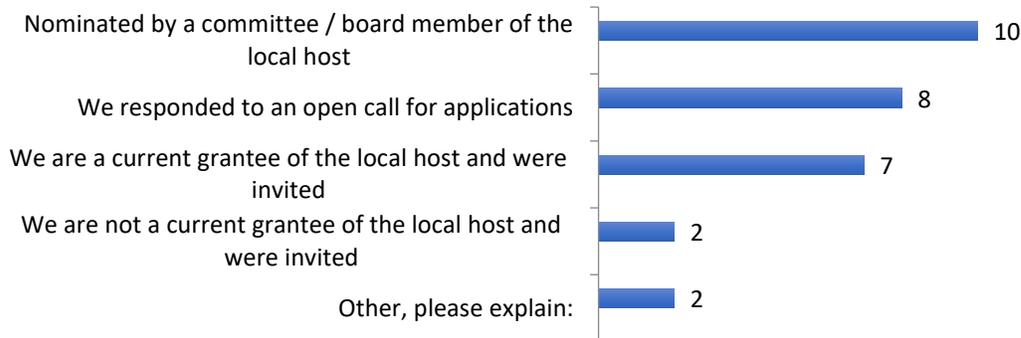


Many hoped that the TFN events would be a good way to invite new donors to get to know the community foundation. “Since we’re trying to meet different types of people and have new ways to connect with them - this was a new tool in our fundraising portfolio.” (2)

Fostering connection and empowerment in communities. Hosts aspired to build relationships among people in their communities, including with minorities and across different social groups. Several articulated the goal of strengthening the relationship between people and the place where they live (1) “We wanted to make people in local communities aware of what they can give and do,” said one interviewed partner. Rather than wait for money from the outside, Hosts wanted to mobilize and motivate individuals by showing that small amounts of giving could be meaningful. (8)

Support community organisations. Providing immediate, on-the-ground funding to community organisations was another goal of hosting TFN events. Invited beneficiaries included current grantees of the host organisations, other invited organisations, and groups nominated by board members (see figure X). The events provided tangible funds to support community needs and develop social cohesion in regions where financing charitable activities is an ongoing challenge. “We would like to show that giving is a way to affect the issues that we care about. Financing is a big issue in Hungary - it’s important to find ways to support these organisations, to build the base of financial support and be able to carry out their work,” said one partner. Shrinking space for civil society has affected NGOs broadly, and interviewees commented on the potential for private philanthropy to help sustain some of these organisations.

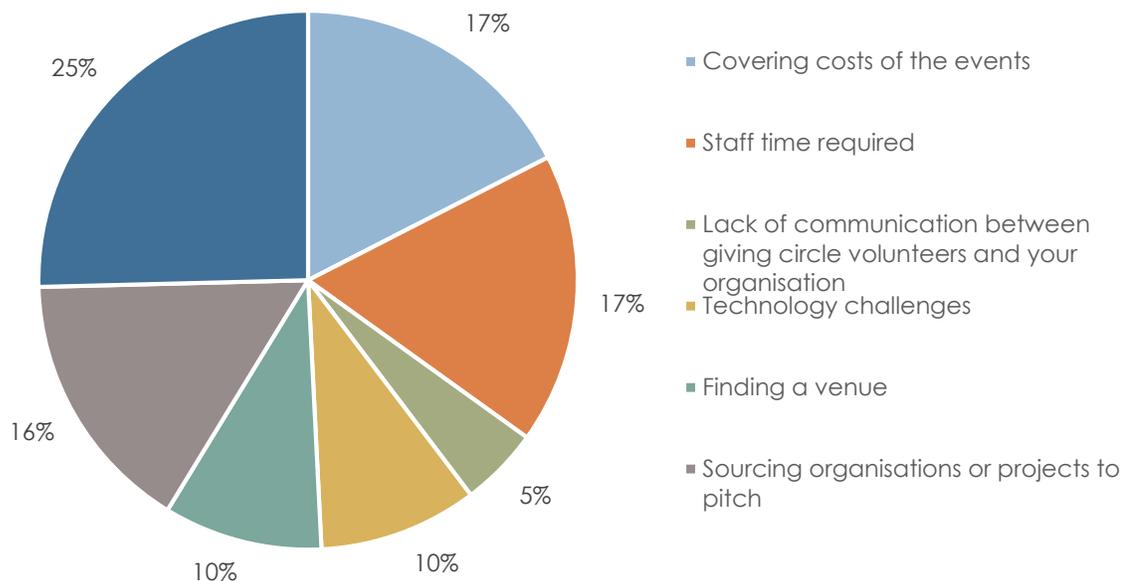
How were NGOs selected to participate in event?



Increase giving through innovation. The TFN model, which asks for funding for specific projects was found to be more compelling than asking for funds in general to support future needs. Many TFN partners hoped that the TFN Events would introduce a new vehicle for philanthropic giving that would be exciting for donors and inspire them to give more and two thirds have reported that they have received donations or pledges from event attendees in the weeks and months following their participation.

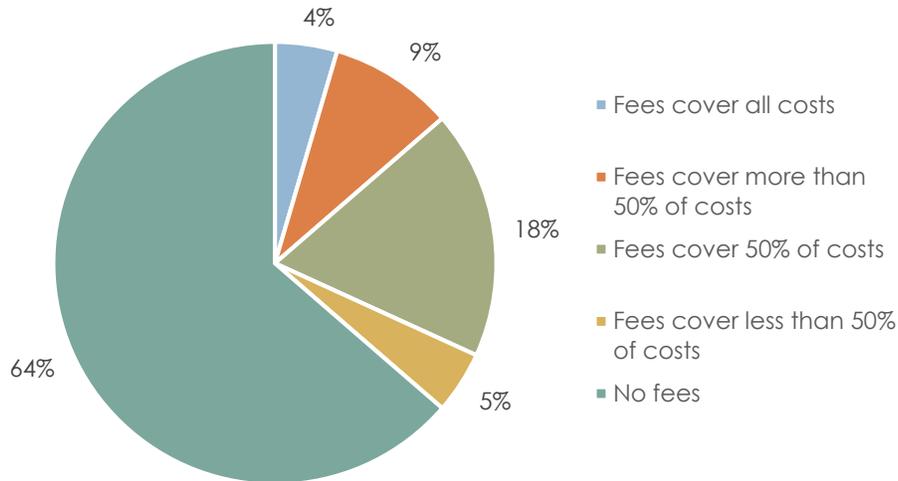
Challenges in supporting and hosting TFN events

Not surprisingly, national partners and local hosts also noted a wide range of challenges, some specific to the TFN event model and some more consistent across all efforts to engage donors and build a culture of philanthropy generally. Overall building a donor audience was the most frequently reported challenge, followed by a trio of almost tied challenges of cost, time & identifying beneficiaries.



Time and expenses. Setting up events, including meeting prospective donors, inviting them, and explaining the model took a lot of time for staff of TFN partners and hosts. Many also noted that in addition to staff time, costs such as decorations, catering, and the event space can be challenging to cover. Even if the first event was covered by a grant, interviewees recommended thinking through how subsequent events will be paid for, including through donations, selling tickets, or charging membership fees.

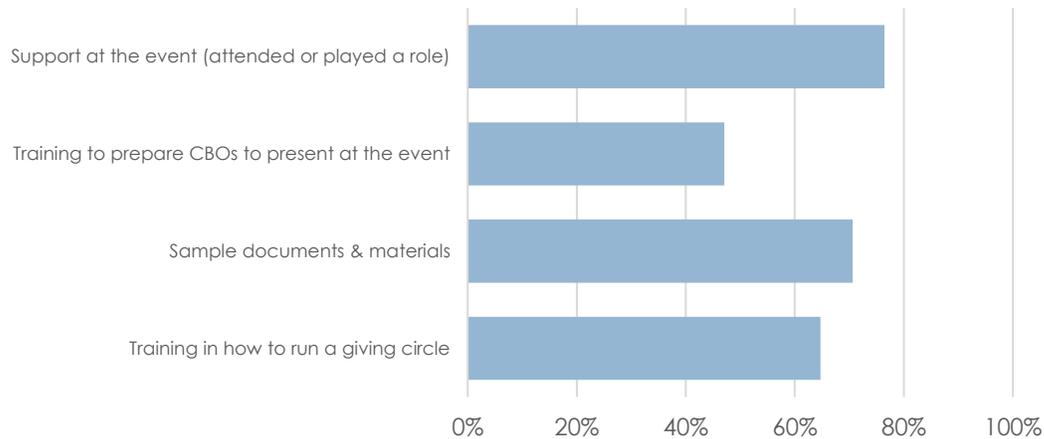
Almost two thirds of hosts reported that costs were currently covered entirely by outside sources (often TFN underwriting via the Charles Stewart Mott Foundation combined with some local support) with no fees charged to beneficiaries or on funds raised. About one third reported that fees covered some portion of costs while only one event was completely covered by fees.



While time was an issue for hosts, time was not an issue from the beneficiary perspective. All survey respondents agreed or strongly agreed that the time commitment to prepare and participate was reasonable and that the experience overall was positive.

Logistics. Interviews surfaced myriad considerations to make an event work. Timing was key – planning needed to consider the fiscal year, vacations, holidays, and other events in the community that might conflict. Finding the right sort of space – both affordable and nice – could also be challenging. Partners noted that some of the local hosts in smaller communities struggled to find a special place to host the event.

Support from national partners was also seen as very valuable by local hosts. The vast majority reported that they relied on this support in successfully carrying out their events, especially on-site support and with sample materials and overall training. Only in the training for beneficiaries themselves did a majority of hosts go it alone.



Recruiting donors. Partners and hosts said that getting donors to come to the events could be stressful. Many invited influential community members who committed but then did not end up attending. They are still not sure how best to approach these potential influential donors more effectively. “The more difficult task for us and the local host is the lists of people to invite,” said one interviewee. “It’s difficult to find the right people to engage – and to get them to come and give.” Interviews suggested that it was harder to get people to come in larger cities where people are less connected to one another and less motivated to take responsibility for the community. NGOs could help recruit donors if they themselves had relationships with donors. But in situations where the NGOs did not already have individual donors, they could not help recruit donors to the event.

Cultural assumptions and differences. Attracting donors to TFN events meant overcoming assumptions about NGOs and philanthropy. In some contexts, the perception was that NGOs were already well-off financially because they were funded by foreign aid. Hosts also battled misconceptions about philanthropy, including the idea that to be a donor, one must have large amounts of wealth. Many donors believed that it was necessary to be a business or large corporation in order to give. One host noted that the diversity of financial resources and gift sizes itself was a challenge, nothing that “it was a challenge to deal with the various sizes of offerings, there were also big differences that caused tension on smaller scale donors.”

The actual format of the TFN event, involving public pledging, was not culturally comfortable in every country. And finally, in at least one case, collecting money at an event was forbidden without legal permission, which was difficult to secure because the TFN model was not well-understood. A cumbersome work-around allowed the host to take and follow-up on pledges, but this required a two-month follow-up.

Follow-up and sustainability. “People who attended feel like they ‘did that’” said one interviewee, describing the challenge of getting people to attend more than once. In some

cases, donors made pledges during the event but then did not fulfill them. “We try to take precautions and not count on every pledge,” said one host. This also required managing beneficiary expectations – the NGOs expected that the money would be in their bank accounts quickly. To ensure sustainability, the NGOs needed to build relationships directly with the donors, rather than rely on the community foundation hosts, but this didn’t always happen quickly.

What worked: Factors for success

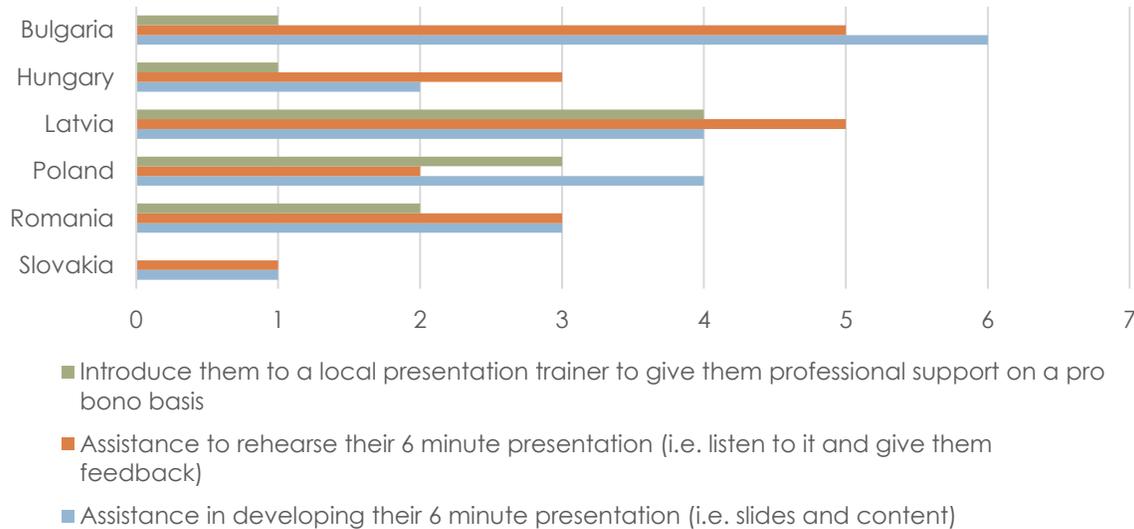
Partner organisations and hosts had the following recommendations for successful events:

Make it fun. Having a great facilitator for the event who could keep the energy up and communicate well was an essential part of success – perhaps the most important thing. Some hosts used actors or TV personalities in this role. The fun comes from the moderator, explained several interviewees. It was also important that the events felt full and successful. “Make sure you don’t have empty chairs,” said interviewees.

Be realistic about the time requirement. Do not underestimate the time and preparation that these events take. One interviewee explained that after the first year they built a fundraising team and engaged volunteers to help plan.

Reach out widely to get donors to attend. Partners and hosts had different strategies for getting donors in the room. They invited people already engaged with the community foundation and encouraged them to invite their friends and acquaintances. Community Foundation board members invited attendees. One group created a video and put it up on their YouTube channel, “showing how donating money can be easy and fun.” The most successful strategy was to involve first those with influence and connections, especially business owners.

Well-selected and trained beneficiaries. Interviewees commented that showcasing a diverse array of compelling projects was extremely important for donor engagement. Practicing the pitches with the beneficiary organisations made a big difference in their level of preparedness and confidence. Different hosts and national partners provided this support in different ways including support in developing presentations, rehearsing presentations, and providing outside coaching support.



In one case, beneficiaries received a two-hour preparation session and received tips and feedback, before they rehearsed in front of a trial audience composed of board members. This had the additional benefit of getting the board members excited and motivated to invite others to the event.

Patience and flexibility. Partners noted that it was important to be patient – the events became easier with practice because donors and organisations were more familiar with the model and more interested in coming. They also emphasized that flexibility and being able to adapt the TFN model for local contexts helped their events succeed. For example, one group changed the expectations for the “reference people” because they found that the expectations that they donate was a barrier. “Now we have reference people but they are not required to donate. This may seem small but it’s critical when you’re trying to adapt a model to local context/culture.”

TFN International’s Role

The support provided by TFN International was essential to the partners, who shared many specific comments about what was most helpful and what additional support they would like in the future.

Support that helped: Overall, partners reported that working with TFN was a positive experience and critical to their success locally. Over and over they praised the high quality resources, responsive personal support, and enthusiasm from the TFN International team for their work. In particular they noted four items that were of critical value:

- Trainings + availability for support and questions. Partners and hosts mentioned TFN workshops that provided training for local organisations and TFN partners, videos of other events, the opportunity to attend other events in person, and Eugenie’s practical assistance. “The ability to call Eugenie whenever we have questions is very, very helpful,” said one TFN partner, adding that “emails with Jennie and Boris ... offered practical feedback and personal encouragement when the project seemed very big and daunting.”
- Materials provided a “game plan” and structure. Partners appreciated the methodology and step-by-step structure provided by the manual. They also greatly valued the flexibility to adapt to local culture and suggested
- Financial backing + match monies
- Evidence/confidence that the model works. Knowing and seeing that the TFN model worked in many other places helped increase confidence of partners and hosts.

Suggestions for improvements and additions: Partners were also asked what else would have helped them succeed. There was strong consensus that ongoing affiliation with TFN International was essential. “We definitely still need the network... we want to steal ideas from colleagues,” said one partner. In addition, they desired ore training, learning together, and opportunities for collaboration. In particular, many felt that another international gathering with the larger network would be desirable – and indeed that such a gathering every two or three years would keep relationships strong and provide a good avenue to ask for specific help and share information about what had worked well. In addition, one partner mentioned that they wanted sharpened communication about the intentions and guidelines of the model so that they could take care to steer local hosts in the right direction, especially in terms of the type of organisations and projects to prioritize.

TFN partners felt that it was helpful to connect with other TFN Affiliates. It was useful to see different approaches and the various adjustments that had been made, such as using a live stream to allow donors to join via the web or bringing in music or the arts to make the events more special. Several commented that the Facebook group helped them share their experiences and benefit from the experiences of colleagues. For example, seeing photographs of different settings provided inspiration as to how to set up their own events. “Everything is very good -- the whole cooperation is smooth. Any time I need anything, I’m given information,” said one partner. In other cases, TFN partners said that they had not yet really utilized support from other Affiliates or Facebook but could imagine that it might be helpful in the future. One partner noted that exchanges with countries with similar economic and political situations might be most helpful: “Going to London can be inspiring but also discouraging since they raise so much money and donation levels are so high.” At the same time, due to language

barriers, exchanges in which English was a common language were felt to be particularly helpful.

Partners suggested the following specific topics as things that they had found tricky and for which they would appreciate additional support from TFN International or from other Partners.

- How are others using follow-up, not only to help giving circle events, but to the larger community (donors/policy) and how this (follow-up) used to help inspire/motivate beneficiaries?
- How to inspire others to get involved in the communities outside of the giving circles themselves?
- How can we better encourage people to step up and host events?
- What should we do when hosts do not want to follow the model after the initial event?

Interactions with local hosts

TFN Partners often serve as event hosts themselves and provide support to help other local hosts sponsor TFN events. This has worked well in many cases. Partners offered workshops (in partnership with TFN International) and provide all the needed materials and support. “We provide everything from visual materials to forms to application procedures - everything provided to us...we provide to the local groups,” explained one partner. “We try to be present at the selection process - not with a vote but to give feedback about the process - we help them track donations, we remind them about 6 and 12 month reports and help them design consolidated report to share to donors.” Partners noted that once the groups had a chance to see how an event works, they became very excited about hosting one themselves. Some partners were starting to coordinate networks among their host organisations to create more learning and sharing opportunities.

At the same time, partners reported common challenges:

- Hosts in smaller cities struggle to attract donors. TFN partners reported that host organisations working in smaller cities had trouble, especially when their communities are poor and have little business infrastructure.
- It can be hard to know what support is needed. Although TFN partners were available to provide support, local hosts did not always know the questions to ask, so understanding their problems required some “digging.”
- Limited capacity. Local host organisations were often extremely small and struggled to continue hosting events without significant support from the National partner. Their needs – for additional money, staff, and technology – were not things that could be

easily addressed. This made it hard to achieve the goal of helping local hosts to spin off and function more independently.

- Potential hosts are wary of the work required. Although there was often a lot of initial interest in hosting, partners found that prospective hosts backed away when they realized the amount of work that hosting would take.

Conclusion

Overall, this evaluation showed that the TFN model has proven to be a highly effective model for engaging donors in countries with a developing philanthropic culture. The lively event-based model spurs people to give and builds community among donors and with beneficiary organizations. While it can prove time intensive in execution, with continued support from TFN International all national partners indicated their enthusiasm for continued work on this front and would encourage their peers from across the region and around the world to explore launching their own TFN programs.