



Social Venture Partners International

Donor Trends: Individual Philanthropists' Responses During the COVID-19 Pandemic

Individual donors across the world are concerned about COVID-19's impact on communities and collectively have the potential to make a huge impact—in the U.S. individuals contribute approximately two thirds of total philanthropic giving.¹ As the philanthropic sector considers how best to respond to this crisis, individual donors need to be part of the equation. Philanthropic infrastructure organizations have a critical role to play at this time, **to ensure that donors are responsive to immediate needs while also thinking long-term—using their own power and influence in solidarity with the community and changing systems to increase community resilience.**

Social Venture Partners International (SVPI) undertook a listening tour over March and April 2020 to understand how our global network of 3500+ donors (“SVP Partners”) are thinking about their own philanthropy and engagement at this time. We also connected with leaders from philanthropy, social change, business and nonprofit/philanthropic infrastructure to situate this work in a broader context, reflecting the challenges faced by nonprofits and communities, and their concerns for the future.

SVP Partners are individual philanthropists who pool their funds at 44 SVP Affiliates across the globe to make multi-year, unrestricted grants to local nonprofits. Partners also volunteer their professional expertise to strengthen the organizational capacity of nonprofits, which helps them become smarter, more generous, and more engaged donors (after joining SVP, 73% of Partners increase their giving and 63% increase their volunteerism).

Donor Trends During the COVID-19 Pandemic

Conversations with individual donors revealed gaps and opportunities that if filled, could increase the impact of individual donors now to strengthen the social change sector and build a stronger donor sector for the future. Our conversations uncovered five key opportunities for engaging individual and family donors during this time, in support of a stronger social change ecosystem.

1. Donors want more direction to support their strategic giving

- Many donors expressed an interest in directing giving to longer term infrastructure and systems change work, though most have dedicated the majority of funding to immediate relief including COVID-19 Funds (hosted by their SVP Affiliates or local community foundations).
- Donors expressed that they need help in deciding where they should be giving and how to effectively deploy funds.

- More research would be helpful to understand where the gaps are and how their dollars and volunteerism can have the most impact.
- While many are interested in giving outside of their local community, they are unsure how they can have global impact, and who to trust especially when giving outside of the U.S. or their own country.
- Donors want to take action now, but they are not certain what they will do with their giving in the future.

2. Donors need more ways to connect with experts in the field to better understand how they can support changing systems for racial equity and long-term resilience

- Racial equity and justice conversations are becoming more mainstream in the U.S, and many donors who were previously not as connected to these issues are naming them as key priorities.
- Nonprofit organizations are over-taxed with their existing work and need to pivot and have little space to develop educational platforms specific to their donor audience, even while donors want to be more engaged than ever.
- The public narrative and line of sight on the brokenness of economic systems and their impact on people's lives and resilience is magnified, and more people are ready for bold solutions including SVP Partners.
- Donors are increasingly seeing how unprepared the nonprofit sector is for a major crisis and the ways in which historic funding structures have weakened the adaptability of the social change sector—lack of reserves is a real problem for nonprofits, but so is lack of updated tech.
- Overwhelmingly, donors are acknowledging their own privilege and relative safety/financial security in relation to others. Many with whom we spoke are retired or able to work from home and haven't seen significant interruption in their income/revenue streams.

3. Donors are increasingly open to advocacy and using their power and influence in solidarity with communities

- Donors expressed concerns that many nonprofits will not “make it” due to interruptions to their programming, events and fundraising.
- Many were concerned about the inequitable roll out of government funds in relief packages (such as the CARES act in the U.S.).
- Many donors particularly in the U.S. and Canada expressed interest in using their power and influence as individual donors to advocate for increased government funding to be released to nonprofits, and the expansion of tax credits for donors.
- They are looking for guidance on how to be effective advocates and for opportunities to join campaigns or joint advocacy efforts.
- Several donors expressed that they would like their philanthropic giving to be a “catalyst,” and that there is a need for government to really step up so that philanthropic giving can focus on things that government would not usually support.

- Donors identified the need for advocacy to the philanthropy community, including urging foundations to un-restrict funds and release additional dollars, and calling for money in DAFs to be deployed.

4. Donors need opportunities to connect across geographies and issue areas for peer learning, collaboration and to build collective impact

- Donors expressed that they are becoming even more focused on their current landscape and community, even though they see that the needs might be greater than a city-by-city approach.
- Given the virtual world opportunities, many donors are willing to learn, give, and share across geographies unlike before, and they are inspired by work happening in places outside their regions.
- Donors find it valuable to connect with other donors virtually for peer learning, and having space to dialogue about how to be strategic in this moment.
- Many have noted that being part of a network informs their giving now, has shaped their understanding of social movements and systems change, and has helped them to become more engaged and effective philanthropists.

5. Donors want mechanisms that allow them to multiply their impact and participate in collective giving, to catalyze more resources to promising community-led solutions

- Donors are more aware now that the current traditional funding mechanisms do a disservice to social change work—power dynamics, restricted funding, short-term funding cycles and many other factors make it difficult for movements to have the resources and support needed to thrive.
- More than ever, donors want to make sure their money has impact and that it is going where it will be well used.
- Donors shared their desire to have their individual funds multiplied for greater impact—and pooled funds like the COVID-19 Response funds are an example of this working.
- Many are excited by opportunities to move new types of capital to innovative community solutions—to support social entrepreneurs, small businesses and community projects in addition to nonprofits. Many were interested in exploring impact investing, for example.

***Social Venture Partners International** is a network of over 3,500 engaged philanthropists, volunteers, and social change leaders, working in partnership with communities across 40 cities in eight countries around the globe. As the hub in the SVP social change ecosystem, SVP International cultivates and expands a network that catalyzes more resources toward community solutions and innovations for systems change, demonstrates ways to disrupt philanthropy as usual for more proximity and accountability, and influences philanthropists to provide communities what they need most. By harnessing the power of our global network we are building towards a future where communities have the resources they need to thrive, and where we are modeling new ways for changing philanthropic systems toward justice.*