

## **A Technological Revolution for the Greater Good**

By Marcia K. Sharp

For the better part of two centuries, we have relied on Alexis de Tocqueville's observations to describe the fundamental tendency of Americans to come together for both mutual and public benefit. But philanthropy has been slow to update de Tocqueville's legacy to a world where eBay reigns.

Already, however, eBay and organizations like it have influenced nonprofit groups, and their successes show why it is so important to examine how new technology is transforming the way people give and volunteer. A case in point: the emergence of GlobalGiving, an organization that is often described as the eBay for international development aid. GlobalGiving's Web site is a place where small foundations and individuals can turn to get information about more than 250 projects around the world and make donations to those that pique their interest.

While that is all the site may seem to be at first glance, in reality GlobalGiving is a multifaceted technological platform that allows a great range of individual, organizational, and corporate players to support promising projects by social entrepreneurs in dozens of developing countries. It is organized as a for-profit company, with an allied nonprofit foundation to receive and disburse the donations.

GlobalGiving offers companies tools that allow them to customize their employee-giving programs so they reflect the culture and interests of the company, its workers, and the communities where it operates. It also provides feature roles for a cluster of global nonprofit groups that select and vet the projects offered on the site, and get exposure for their own work. For donors who are unsure what they want to do, a "donation wizard" helps guide people to projects that might interest them. Special portals exist for immigrants who want to send money to charitable projects in their home countries.

Today, GlobalGiving is aggregating the giving of thousands of donors. But its chairman and co-founder, Dennis Whittle, has his eye on millions of donors, as his organization aspires to create what he calls "the world's richest marketplace for international aid and philanthropy." And by richest he means not just how much money has been raised, but also the impact that GlobalGiving can have on generating ideas, attracting new expertise for nonprofit causes, and increasing the overall effectiveness of a wide range of charitable projects.

Or consider Meetup.com, a for-profit venture that provides a free electronic service and structure for people who want to organize face-to-face meetings about any topic they

choose anywhere they want. Meetup rose to prominence in Howard Dean's campaign for the Democratic presidential nomination, but its mission -- much broader and enormously ambitious -- is to revitalize the sense of community across America.

Meetup traces its genesis to several important works, including Robert D. Putnam's *Bowling Alone*, a book that many nonprofit groups have studied to learn more about the increasing sense of disconnectedness so many Americans feel from each other and from their communities. Pierre Omidyar, the founder of eBay, has been a significant supporter and investor. Mr. Putnam is an adviser.

Meetup is currently the electronic backbone for 1.4 million people who are getting together in small groups, mostly in cafes and coffee shops in the United States and about 50 other countries, to discuss thousands of topics. Some of these topics are the same as those nonprofit groups focus on -- voter registration, human rights, women's rights, Muslim concerns, and political campaigns. Others perhaps less so: witchcraft, knitting, poker, and Nascar racing. But the implications for how citizen engagement can be supported using this technology and approach are staggering.

Meetup has just 25 employees, yet it is able to keep hundreds of thousands of people meeting face to face to discuss, learn, and act on subjects they care about.

GlobalGiving and Meetup are only two examples of an emerging explosion of technology-enabled organizations that are expanding the nation's nonprofit infrastructure. Among others are GuideStar, the repository of charity tax forms; VolunteerMatch; the political activism group MoveOn.org; the online-donation site Network for Good; and the big national charitable gift funds, like those run by Fidelity Investments and Charles E. Schwab.

Any one of these could survive and thrive -- or not. But collectively what they represent is already changing the way Americans give and volunteer. And with their capacity to support social interaction and activism on the part of a huge range of players -- donors, volunteers, nonprofit organizations, foundations large and small, multinational corporations and small businesses, and even government agencies -- they are beginning to suggest a whole new way of thinking about the nonprofit world.

Some foundations have already done much to explore how new technology and other social changes are likely to transform philanthropy and social activism, but many have yet to consider the possibilities. Here are some ways that foundations could make a big difference with relatively little new spending:

- Act faster, more openly, and responsively. At large foundations, it takes nearly six months from the time a proposal arrives at the institution's doors until a grant recipient gets any money, according to research conducted by the Center for Effective Philanthropy. This in an era when people can do mortgage financing overnight and online, and make a relatively risk-free contribution to a project on the other side of the world almost instantaneously. Foundations need to say no

- (and yes) more quickly and move away from the quarterly docket for approving grants that they have long relied on. They should set up an electronic system to show where proposals are in the process and establish ways to make grant decisions overnight, if the circumstances are right.
- Invest in efforts that will expand the amount of giving in the United States by reaching people who have not previously given to charity. Many more people would give -- and keep giving -- if they were asked, cultivated, and supported. So far, not enough foundations have stepped forward to build efforts at the community and regional level that would encourage Americans to make their first significant philanthropic gifts. The Forum of Regional Associations of Grantmakers, through its New Ventures in Philanthropy program, put \$20-million into helping regional coalitions of grant makers, community foundations, and others reach out to the donors of the future, and that has produced more than \$550-million in new community endowments. But it's been very hard -- and too often, simply not possible -- for local coalitions that encourage giving to raise the overhead money they need to keep going.
  - Build systems to educate and inform donors and help aggregate their donations to achieve greater efficiencies and make more of an impact. Philanthropy needs to find ways to reduce the huge barriers that small foundations and individuals face in learning about the causes that interest them, identifying and qualifying potential grant recipients, dispensing enough money to make a difference, and staying in some relationship with the grantees. Coalitions of grant makers are building knowledge and expertise in dozens of areas, like the environment, welfare, health, and education; held to themselves, this information is massively underused. An effective and integrated knowledge-management system could put this expertise to use across the philanthropic landscape -- and make it far easier for smaller donors to distribute their money wisely.
  - Let go a little. GlobalGiving asks able and proven nonprofit groups in the business of social and economic development to make recommendations about what projects are most worthy of philanthropic support. Their recommendations are then posted online for others to support. It gathers the experts, gets the word out about donor opportunities, and allows large numbers of donors to give quickly and collaborate to make a difference. Everybody involved in the process accepts the idea that the experts will steer donors to effective, legitimate groups. The elaborate -- and different -- process that each foundation uses to make sure they have checked out a potential grantee are not always necessary. And foundations have much to learn from Meetup, which assumes that people can come together, meet, and even act, without receiving a policy paper or message script, or getting help from a paid coordinator.
  - Accept the role that business and social entrepreneurship plays in promoting social change. In some circumstances it is appropriate to have concerns about "blurring the lines" between the nonprofit and for-profit worlds. But major opportunities exist to focus on creating the platforms -- as both GlobalGiving and Meetup do -- that support and integrate the interests of corporations, organizations, and individuals.

- Stay the course in supporting the development of big platforms that support social action. VolunteerMatch, GuideStar, MoveOn, and other online efforts show much promise. They won't get everything right, and certainly not overnight. But some of them will inevitably become victims of foundation fatigue, as grant makers get bored with their support for those projects and want to find others. A cluster of major American foundations has carried the burden for financing the development of these platforms that benefit the entire nonprofit world (Hewlett, Skoll, Mott, Kellogg, Ford, and Carnegie, among others). The financial needs for technology projects are so great that more grant makers should join in, and they need to be ready to provide long-term financing for these efforts.
- Be navigators. Help the whole nonprofit world learn about the changes technology is making in social interactions. Foundations should allocate resources to explore what is going on and share what they learn. For example: What are the demographics of the people who use Meetup, GuideStar, VolunteerMatch, and other resources? To whom are they opening doors? Who is still not being reached? Are these big platform systems likely to strengthen the nonprofit world as we know it, by feeding volunteers into community organizations, as VolunteerMatch does? Or is it possible, as one could envision with Meetup, that an "alternate space" for personal and social activities might spring up, where people make lots of connections and pursue a wider range of activities, but little is done to encourage the values or permanence that emanate from the nonprofit world today?

The emerging electronic marketplace could bring about a revolution in philanthropy, but foundations will be left out -- and could find themselves quite irrelevant -- if they don't take a leadership role in harnessing technology's benefits for the greater good.

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