

What Is STRATEGIC GIVING?

“Strategic giving” is giving guided by a pre-determined strategy. Giving with a known larger purpose. Giving with a plan to achieve a goal at a higher level than simply making a gift of \$X to Y. That is, giving \$X to Y is a part of something bigger, and is done intentionally to help achieve that larger purpose.

Giving \$X to Y can be the end goal; to dispose of \$X and to assist Y. Or it can be a component in a more comprehensive mosaic of philanthropy. Giving becomes strategic when there is a master plan (the strategy) which inspires and controls the giving.

ATTRIBUTES OF STRATEGIC GIVING

Strategic giving will often exhibit these characteristics, it:

1. **Selects doggedly**—the strategic giver chooses intentionally among the many options and ruthlessly excludes non-qualifying organizations.
2. **Is criteria driven**—selections are made based on pre-determined criteria which are known, rational, and pragmatic; giving is not impulsive, whimsical, or emotional.
3. **Focuses narrowly**—giving, in aggregate, has an enduring pattern to it. Every giver has to rule out scores of opportunities due to limited resources, but the strategic giver keeps within his portfolio an assemblage that share common characteristics, and excludes other types. The focusing principle could be geography, need, charitable sector, organizational stage/style, or many other factors.
4. **Limits the number**—there are probably fewer organizations in the strategic giver’s portfolio; focus makes this easier to achieve.
5. **Uses larger gifts**—the strategic giver tends to give more dollars to fewer organizations rather than fewer dollars to more organizations.
6. **Pursues impact**—strategic giving seeks impact within the area of focus. Results are king. Hence, there is a focus on meaningful outcomes and metrics. A limited number of larger gifts (points 4 and 5 above) help make this possible—it is difficult to have much impact with many gifts scattered to many diverse organizations.

FOUNDATIONS & STRATEGIC GIVING

About 90% of foundations have no staff. The few that are staffed nearly always have a carefully thought out strategy that guides their giving. This may be enshrined in a mission statement and usually will be explained on a foundation’s website. A clear strategy statement helps eliminate non-qualifying applications—a valuable function because foundations are frequently overwhelmed with grant proposals. An explicit strategic approach to giving helps both the donor and the potential grantee by bringing efficiency to the grantmaking process.

A PERSONAL DECISION

Is strategic giving better than non-strategic giving? Certainly, it seems that not all donors can engage this approach. It takes time and effort that many do not have. Some are giving at a lower level, perhaps generous for their situation, that doesn’t warrant developing a tight “giving strategy.” Some seek spontaneity, to be led by the spirit, and respond to immediate needs as they arise. While this may be a “strategy,” it is surely different from the strategic giving we’ve described above.

ADVANTAGES

When practical, arguably strategic giving has these advantages:

- ✓ Greater donor satisfaction
- ✓ More impact per dollar given
- ✓ Stronger modeling of philanthropy to others

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