
Building a New Tradition of LGBT Philanthropy

horizons foundation

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About Horizons Foundation

Horizons Foundation, a philanthropic social justice organization, serves the lesbian, gay, bisexual, and transgender (LGBT) community throughout the San Francisco Bay Area and beyond. The world's first LGBT community foundation, Horizons has been meeting the needs, advancing the rights, and celebrating the lives of LGBT people through a diverse range of programs, services, and initiatives since 1980.

At its core, Horizons Foundation's mission focuses on raising the level and impact of financial resources to fuel the LGBT movement and LGBT community organizations. Our programs fall into two major categories: strengthening LGBT organizations and leaders, and building LGBT philanthropy.

- **Grantmaking.** Since the beginning, Horizons has provided financial support to community organizations and causes in areas ranging from youth to elders, from LGBT arts and culture to civil rights advocacy. In 2007 alone, we made nearly \$2.9 million in grants.
- **Leadership development.** Horizons provides support and training to the leaders of key Bay Area LGBT organizations.
- **Donor services.** Horizons offers a variety of tailored philanthropic vehicles, such as donor-advised funds, scholarship funds, and field of interest funds.
- **Planned giving.** We work with individuals and professional advisors on customized gift and estate planning.
- **Donor education.** Our annual Philanthropy Series keeps donors connected and involved through issue briefings and seminars. The sessions—on topics from domestic partnership laws to charitable giving plans—increase the giving capacity of the LGBT community and sharpen the impact of individual donors.
- **Philanthropic advocacy.** Horizons links the larger philanthropic world with LGBT organizations and causes, opening doors to new sources of funding for our community.

Recognizing that the LGBT community has reached a stage at which we can—and must—plan for the long-term future, Horizons Foundation has also established the LGBT Community Endowment Fund. This fund will be built through thousands of estate gifts and provide permanent resources to serve LGBT people in the Bay Area for generations.

Executive Summary

For the lesbian, gay, bisexual, and transgender (LGBT) movement to succeed, it needs funding to fuel the hard work of achieving equality and building healthy communities. Yet the simple and painful reality is that LGBT organizations lack the funds they need to be most effective. Money, of course, is never sufficient in itself to build a powerful movement or strong, stable organizations—but it is absolutely necessary.

The first multi-part study of its kind, *Building a New Tradition of LGBT Philanthropy* examines current giving to LGBT causes and points to ways to expand the pool of individual donors whose untapped potential can power both the immediate and long-term success of the LGBT movement.¹

Giving and the LGBT Movement

It was just a few decades ago that the “modern” movement for LGBT rights began. In this brief and historic time, LGBT people have not only won unprecedented rights and visibility, and weathered a horrific epidemic, but have created a wide range of nonprofit organizations of, by, and for the LGBT community.

These organizations are vital to the strength of the LGBT movement and the health and well-being of LGBT people. Yet as central as they are, LGBT nonprofits constantly struggle to raise enough money to carry out their respective missions, much less to attend to long-term institutional development.

Given the relative youth of the LGBT movement, this comes as little surprise, especially considering how recently the doors of government and private foundation funding have started to creak open for LGBT issues. Working with little capital and confronting overwhelming needs, young organizations are highly vulnerable to everything from even modest economic fluctuations to internal challenges like leadership transitions.

From the beginning, individual giving has been integral to LGBT organizations’ capacity to operate. From bar fundraisers and penny jars to gala events and organized donor campaigns, the generosity of LGBT individuals has powered our movement and built our organizations. With all of today’s challenges—HIV, political battles, supporting our youth and elders, to name just a few—individual giving is more important than ever before.

Part 1: LGBT Giving to LGBT Organizations

Part 1 of *Building a New Tradition of LGBT Philanthropy* provides a snapshot of individual giving to national and regional LGBT and HIV organizations. This research includes data from 39 LGBT and HIV organizations with significant presences in the San Francisco Bay Area.² It paints a broadly accurate picture of LGBT people’s giving to LGBT organizations; it is *not* an indication of the *total* charitable giving by LGBT people to all causes.

¹ While the data came from organizations and donors in the San Francisco Bay Area, the findings may offer valuable insights to LGBT giving in other parts of the U.S. as well.

² Most of the giving data was drawn from 2006.

The findings reveal something to celebrate: thousands of LGBT people are giving to LGBT organizations, and those thousands are leading the way for the whole community. However, the findings also underscore significant challenges—and equally significant opportunities—for LGBT organizations and the LGBT movement across all categories of giving:

- About 5% of LGBT people living in the San Francisco Bay Area made a financial contribution to any of the national and regional LGBT organizations surveyed.
- Just over two percent—one in 47—made a gift to a local or regional LGBT organization, while 2.6%—one in 39—gave to one of the national LGBT groups surveyed.
- When a dozen leading Bay Area HIV organizations are added, the total number of LGBT givers grows to one in seven, or 14%, of the LGBT population.

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The data also show immense opportunity in planned giving.³ The 39 organizations report a total of 380 planned gifts that have been made known to them, amounting to one out of 1,139 LGBT people. Because planned giving represents an unequaled source of potential community capital—particularly during an unprecedented window of opportunity over the next 15 to 25 years—this finding points dramatically to the importance of developing planned giving in the LGBT community.

Part 2: Understanding LGBT Donors

While the first phase of research was designed to quantify *levels* of giving, the second part sought to understand the *motivations* behind LGBT giving choices. Based on a quantitative online survey of LGBT donors and a series of focus groups with LGBT donors⁴, some key findings include:

- Like donors generally, LGBT people give to a wide range of causes. Compared with all donors in the U.S., Bay Area LGBT donors are twice as likely to give to health-related nonprofits and four times as likely to give to the arts, but half as likely to give to religion. An exceptionally high number support advocacy and civil rights.
- For the overwhelming majority of LGBT donors, organizational effectiveness and efficiency rank high in their giving decisions. For donors to LGBT organizations, contributing to social and political change for LGBT people and building the LGBT community are also major factors.

³ Monetary bequests are the most well-known and common form of planned giving. Planned giving is understood here also to include more complex instruments, such as charitable remainder trusts, charitable lead trusts, and testamentary gifts of real estate, personal property, retirement plan assets, etc.

⁴ The online survey was conducted over several months, late 2006 through early 2007. The focus groups were conducted in October 2007 with LGBT people who reported significant charitable giving in the past year. Two of the groups were giving substantially to LGBT causes (averaging close to half their total giving), while the other two groups were giving little or nothing to LGBT causes (averaging roughly 6% of their total giving).

- Focus group participants voiced a sense of responsibility to support the LGBT community, even while their giving did not consistently take this into account.
- LGBT givers have a sense of importance, urgency, and connection to LGBT causes, and they believe the LGBT community will continue to have real needs in the future. At the same time, many donors report that they lack information about giving opportunities.
- LGBT organizations seem to have been more effective engaging donors with an advocacy or public policy orientation than those whose interests and instincts favor direct service providers.
- There is an enormous opportunity to deepen the community’s planned giving, with a remarkable 52% of LGBT donors indicating they are somewhat to very likely to make a bequest or other planned gift to LGBT organizations. However, some donors—particularly those who are wealthier or more sophisticated in their philanthropy—feel LGBT planned giving options are currently inadequate.

Part 3: Strategies for Future Growth

The final section of this report offers some initial strategies to activate the tremendous potential for giving within the LGBT community itself.

For Organizations

- **Engage donors’ complex identities.** Donors tend not to think of their giving in discrete categories, and organizations that resonate with multiple aspects of a donor’s identity or experience will probably have greater success engaging that donor. Another important strategy may be to explore connections with faith communities, both LGBT-affiliated and mainstream.
- **Build on donors’ connections to the LGBT community.** The donors who participated in the focus groups, all over age 50, value their deep connections to LGBT identity and community. Donors respond to affirmative and empowering messages about the opportunity for the community to take care of itself, today and in the future.
- **Address how an organization’s work is both “good” and “important.”** To engage donors oriented towards direct service, organizations should share concrete results and make the case for how their work affects individuals *and* systems.
- **Demonstrate results, effectiveness, and institutional stability.** While LGBT-related causes may attract LGBT donors’ attention, they are likely to look for clear results, transparency, accountability, and a sense that the organization is well-run before deciding whether to give. Institutional stability is especially important when it comes to planned giving.

Horizons Foundation’s research found reasons to celebrate—as well as cause for concern and a need for action.

- **Frame planned giving as an opportunity.** Positive and empowering messages about estate planning as a way to create a powerful legacy are more likely to motivate more people.
- **Let donors know every bequest is significant.** While high-profile gifts bring wide visibility to the potential impact of planned giving for the LGBT movement, the greater impact may come through sheer numbers of LGBT donors making planned gifts. This affirmative approach to planned giving can help LGBT donors understand LGBT organizations' role in advancing their own values and supporting the LGBT community into the future. Providing for one's community does not have to conflict with providing for loved ones—it's very often possible to do both.

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For Donors

- **Reflect on personal giving.** Donors in the focus groups consistently overestimated how much their peers—and they themselves—give to LGBT causes. By making conscious decisions about how much to contribute to the LGBT community, donors can ensure that their values are reflected in their giving.
- **Recognize the challenges that LGBT organizations face.** There's no question that nonprofits need to use their resources wisely and remain accountable. At the same time, donors should keep in mind the particular challenges that LGBT organizations face, such as still-developing infrastructure, limited access to foundation funding, constant pressing needs, and opponents with much, much deeper pockets.
- **Plan for the future.** As mentioned above, LGBT people do not necessarily have to choose between providing for loved ones and supporting the LGBT community in their estate plans. The first step to doing either, though, is to create a will or trust, and thereby create a meaningful legacy.
- **Inspire others to give.** LGBT people have a historic opportunity to create the financial resources required to meet the short-term needs of the community as well as ensure its long-term strength. By inspiring others to give to LGBT organizations—whether encouraging friends to donate to a favorite nonprofit or letting a beneficiary organization know about a planned gift—LGBT donors help strengthen the very fabric of the LGBT community.

Conclusion

Horizons' findings in this research give reasons to be proud—and impetus to action and change. In a young community, and in a world with endless compelling calls on our philanthropic dollars, it is perhaps remarkable that so many do give, and some so very generously. At the same time, our movement is far less likely to succeed—much less can we build a strong, enduring, compassionate community—without expanding the pool of givers. The LGBT community has, in short, made a start. The time has now come to build on what we have begun.

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