FUTURE MATTERS | On the Brink of New Promise
THE FUTURE OF U.S. COMMUNITY FOUNDATIONS

Community Philanthropy and Social Media: An Update

> "Buying a camera doesn't make you a photographer.
> It makes you a camera owner."
> - Anonymous

Back in 2005, *On the Brink of New Promise* looked at the many ways that community foundations could change their work to fit the shifting contexts of their communities and the larger philanthropic landscape. In the intervening three years, almost every trend we identified in 2005 has accelerated in pace, including the changing nature of community and new innovations in philanthropy.

This first *Future Matters* of 2008 focuses on the nature and breadth of technological innovations and adoption by philanthropists and philanthropic organizations. More than an investigation of new trends, this edition of *Future Matters* updates the field on the roles that online marketplaces, social networks, wikis, new data sources, and other online resources now play in philanthropy and community organizations.

What is new that matters?
Technology changes so fast that keeping up with it is a full time job for many people. Not all of what is new matters to community philanthropy, and being on the leading edge is not necessarily the right place for many organizations. What *does* matter is that community foundations stay aware of generational adaptations and expectations and that the field continue to share successful (and failed) experiments.

WHAT ARE FUTURE MATTERS?

On the Brink of New Promise: The Future of U.S. Community Foundations explored the changing context around community philanthropy and what it might mean for the future of community foundations. But as the context for the field continues to shift, Blueprint Research & Design, Inc. will be developing a number of *Future Matters* Reports to expand on the original report and discuss ongoing and emerging issues and trends that may matter to the future of community philanthropy.

Please write us at info@communityphilanthropy.org to share examples of how your community foundation is addressing racial and ethnic diversity issues, or to let us know what other topics you would like addressed in upcoming Future Matters.

The first issue of *Future Matters* looked at technologies to organize information (social bookmarks, GIS mapping), tools for community building (social network sites) and tools for mobilizing resources and action (donorschoose and groundspring).

This *Future Matters* update presents some new adaptations of those tools, particularly developments on social network sites and the convergence of some of these previously disparate approaches. It also raises our sights from beyond the desktop to the increasingly mobile world of Internet communication and organizing, as cell phones bring the world and its wallets into one easy-to-carry tool.

Several social networking sites specifically focus on giving and social action.

The tools converge

Much of the technology buzz of the last two years has focused on social networks. An old concept – social networks are the circles of people that any one person knows or can be connected to with a few introductions – the Internet has expanded their reach and the speed with which these networks can be activated. As important, online social networks have developed as both general sites, such as Facebook and MySpace, platforms focused on professional networking (LinkedIn and Plaxo), and those dedicated to certain demographic groups (for example, TBD for people over 40 and BlackPlanet for African Americans).

Not surprisingly, there are several social networking sites that are specifically focused on giving and social action. These include Change.org, changingthepresent, Razoo, and Care2. So many such sites developed in 2007 and 2008 that an effort to draw them all together – SocialActions – won a 2008 NetSquared prize for mashup.[1] In addition,

new tools allow users of any social networking site to turn their pages into fundraising tools. Project Agape launched its Causes application for this purpose. In its first year more than 12 million people signed up to use the application and then went on to raise $2.5 million for almost 20,000 nonprofits.[1]

Late in 2007 The Steve and Jean Case Foundation sponsored a national competition to encourage individuals to use these tools to support the organizations and issues they care about. America's Giving Challenge, sponsored in partnership with Parade Magazine, raised more than $1.2 million and actively inspired more than 2,400 volunteer fundraisers in just over six weeks.[1]

Information for and from those who need it

In addition to inspiring action, great strides have been made in using the Internet to inform and inspire. Many community foundations have taken their own knowledge bases and networks of local information and put them online for their current and prospective donors to use. Early in 2008 the Columbus Foundation (Ohio) inspired $750,000 worth of giving in less than one hour through a creative campaign it launched to announce its PowerPhilanthropy program. Based on the DonorEdge platform, PowerPhilanthropy brings credible, foundation-vetted information on nonprofit organizations to the foundation's donors.

Leveraging the information and experience of its general grantmaking program, the Foundation can now actively inform donor advisors looking for new granting opportunities. By working with the nonprofits, and spreading the word about a time-limited matching grant offer through the nonprofits' networks of board members, advisers and donors, the Columbus Foundation sparked a round of giving that deployed all of its matching funds in just 45 minutes.

Other community philanthropy organizations, such as the Jewish Community Federation of San Francisco, The Peninsula, Marin and Sonoma Counties, maintain an online database of approved organizations that facilitates giving by their donors. This list, which includes more than 5,000 organizations across the U.S., draws from the staff's knowledge and the giving that they manage. The list is updated on a regular basis throughout the year.

Knowledge about organizations and providing Internet-based advice on where and how to give is a growth sector. A 2008 study by KeyStone, *Online Philanthropy Markets: From Feel-Good Giving to Effective Social Investing*, looked at more than twenty online marketplaces from all corners of the globe. These include Beautiful Foundation, MyC4, GiveArgentina and the South African Social Investment Exchange. Notable contributions of these various sites are their "relentless innovation," the different ways they approach the information they provide, and the creativity with which they are collectively considering issues of impact, reporting and accountability.[1] Just as banks and mutual fund companies have been a major source of innovation in providing new financial products to the philanthropic marketplace since 1991, these new information providers may well revolutionize advisory and knowledge products and services.

If pictures are worth 1000 words, how much for a video?

An evolutionary advance in the use of Internet communications and philanthropy has been the arrival of video as a means of raising awareness and action. In September, 2007 YouTube launched its nonprofit channel – a one-stop way for any organization to load videos and broadcast its work. Bundled along with Google Checkout services, an online donation and payment processing system, the world's biggest video and search company has quickly and cheaply introduced streaming video to nonprofits and philanthropic foundations. The channel now hosts videos from the Skoll Foundation, Clinton Foundation, and dozens of community foundations around the United States.

These videos serve several purposes. Many organizations use them to capture and archive lectures, speeches or events. This is the primary purpose of The Giving Channel on fora.tv, for example, which brings together video from various events and sparks discussions on the issues covered.[2] Other purposes are to highlight the community benefits of partner organizations and nonprofits that a foundation supports. These "moving pictures" certainly help connect donors in one place with opportunities and individuals on the other side of the globe. The Internet's role in facilitating these connections is seen in the growth of global giving using online sites as well as in times of natural disasters. Our rapid adoption of these tools has even helped nurture new working relationships between community foundations and international partners so that the community foundation can be of service to its donors even when the giving opportunity may be a world away. For example, the recent tsunami in Burma and the earthquake in western China inspired new partnerships between Give2Asia and the San Francisco and Silicon Valley Foundations.

New information providers may revolutionize advisory products and services

Giving in Virtual Worlds

As if the pace of technological adoption wasn't fast enough it has even transcended the bounds of the "real world." Virtual worlds - online communities where three-dimensional avatars live, work, play, give and forge friendships and community – have been around for decades, but only in the last three years have they become mainstream. Virtual worlds are a little bit like video games – except each player (or participant) must make up the point of the game.

Many people, and many nonprofit organizations, quickly took to these worlds to build new communities, explore their possibilities as information distribution sources, recruit volunteers and raise money. The John D and Catherine T MacArthur Foundation even launched a yearlong exploration of philanthropy in Second Life, one of the most popular virtual worlds. Organizations such

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[1] "Online Philanthropy Markets: From Feel-Good Giving to Effective Social Investing," available from http://www.keystoneaccountability.org/node/159

[2] Lucy Bernholz is the Executive Producer of The Giving Channel.

as the American Cancer Society have raised tens of thousand of dollars in virtual walkathons. More important than the money, say many virtual world fundraisers, is the awareness raising that is possible.

Just how broad or popular these kinds of virtual world and online communications and fundraising tools will be is anybody's guess at this point. However, we may benefit from glancing at recent history – say 2005. Way back then, blogs were seen as niche communications vehicles. There are now many foundation bloggers and well over 150 blogs regularly tracked by the *Chronicle of Philanthropy*. A glance forward is also helpful. A 2008 Forrester Research Group study divided the population into four groups over the age of 18. For the two youngest groups – Generations X and Y – going online via computer or cell phone was the "first turn" source for information. The same study shows that a majority of Internet users *of all ages* use the tools for email, finding news, and searching for information.

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Communities on the move

Another important development in how technological tools are changing behavior is seen in the rise of mobile phones as the tool of choice for accessing the Internet. Although the use of cell phones for web browsing, banking, donating money, and finding friends is relatively new in the U.S., these behaviors are quite well established across Africa, Asia and much of Europe. This year's Super Bowl featured the first major network television ad for mobile phone text messaging donations, a promotion for a United Way program in partnership with NFL star Tom Brady.

Cell phones are used by young people to organize community events, get out the vote, share photographs, and update friends on their whereabouts. It stands to reason that these behaviors will move into people's professional and volunteer activities right along with the young people who practice them.

What does all this mean for community foundations?

We've seen several examples of community foundations deploying some of these tools, from the PowerPhilanthropy program to YouTube to the partnerships between community foundations and Give2Asia. This year's Council on Foundation's Philanthropy Summit featured "next generation" leaders in unprecedented numbers, the most obvious implication of these technologies for community foundations may be simply to keep up with young leaders. There are other key implications as well:

- *Innovation is inexpensive*
  The cost of technological innovation is dropping – in the case of YouTube's nonprofit channel the financial cost to nonprofits and foundations is close to zero. This means new organizations, commercial and nonprofit, that want to offer tools, services, and products to communities can do so quickly and at low costs. Ideas can be tested quickly and improved rapidly. New sources of information can come into the marketplace and will thrive or fail on the quality of their offerings, not necessarily on the reputations of their founders or their longevity in a field.

- *Innovation will come from surprising sources*
  The diversity of interests that make up the philanthropy marketplace, the ease with which new tools to aggregate, filter and deliver information can be brought to market, and the global reach of these tools all add up to a vibrant and diffuse sector. Just as commercial gift funds changed community philanthropy in the 1990s, it is likely that both revolutionary and evolutionary changes to community philanthropy in the 21st Century will come from outside the traditional philanthropic foundations. Recognizing this opens up new reasons to consider collaboration across sectors or experiments in engaging new communities.

- *Communities are mobile*
  The real importance of mobile phones as the future "information portal" may not be because of its technological implications but because it frees people to move around even more than they do now. In less than one generation we have seen whole new expectations about what information people want, when they want it, and how they want to access it. Community philanthropy organizations will continue to see these expectations evolve as community partners and donors increasingly acclimate to having real-time information and tools in their pockets.

- *Generational expectations matter*
  It is true that these technological innovations are still somewhat novel for people over 40. However, all the studies of Internet use show rates of adoption for news and search that cross age boundaries. These data make a compelling case for community organizations to expand their presence in ways that meet the needs of older generations and keep them relevant to younger adults.

Conclusion

Community foundations are not, and probably never will be, technology innovators. However, as we've seen with the use of donor advising tools and YouTube channels they can be early adopters. As these first movers gain experience and feedback from their social media experiments the field as a whole stands to benefit.

The key is to use the right tools for the right job for the right audience. To the degree that social media tools provide opportunities to better serve communities, foundations will be well served by following developments and trends. This can often be done from within communities, as young leaders and established community representatives may provide all the expertise a foundation needs. Using these tools, or even researching them, is a good opportunity to reach out to younger community members and newer organizations. To the degree that these new tools present opportunities for new enterprises to aggregate and filter community expertise, to facilitate philanthropic transactions, to

organize community leaders in new ways, and to connect local actors with global concerns and vice versa, the choice of engaging with these new players is not only an organizational one, but of interest and influence on all community foundations and all community philanthropy.