

Effective Philanthropy in a Time of Crisis

An Overview for Donors

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Introduction

"In this unprecedented global crisis, it is easy to get overwhelmed by the magnitude and diversity of needs and wonder, 'What can we do?'...With its unique ability to be flexible, nimble, creative, and take more risks, philanthropy can play a critical role in this crisis and its aftermath."

Leslie Pine,
The Philanthropic Initiative,
"6 Questions for Funders to Consider
During the COVID-19 Crisis"

In times of crisis, such as the one we are facing with the COVID-19 pandemic and the accompanying economic fallout, philanthropy has a unique and important role to play. The current challenges faced by nonprofit organizations and the communities they serve provide an opportunity for donors to focus on the most effective ways to help organizations meet immediate needs, recover, and ultimately thrive over the long term.

This COVID-19 crisis is different from past natural disasters such as earthquakes, tsunamis, and hurricanes in that it is global in nature. It is different from what we experienced with 9/11 in the U.S. and the Great Recession in that everyone – regardless of geography or financial situation – has been affected on a personal level. We have all felt overwhelmed and experienced fear and anxiety for ourselves, for our loved ones, and for our communities.

This range of emotions can also apply to how donors are feeling about their philanthropy. Some donors may feel frantic about meeting increasing needs in their community, while others may feel powerless and afraid as they see their assets decrease; and individuals may feel the full spectrum of these emotions over the course of the same day. While some donors have been able to move to immediate action, others may be emerging from many weeks of trying to stabilize a business or care for family members and are now ready to address their role as philanthropists.

The purpose of this overview is to frame and focus donors' options for their charitable giving, help donors understand the most effective philanthropic practices in a time of crisis, and provide resources to donors who want to learn more. This publication is designed

to help you think through four key questions related to effective giving in order to support your work in the coming months and years:

1. How should I think about allocating my charitable dollars in a time of crisis?
2. What types of non-financial resources can I offer nonprofits in a time of crisis?
3. How can I best support the organizations that I currently fund in a time of crisis?
4. How can I take the long view on my philanthropy?

The rest of this article discusses each of these questions and provides recommended resources to help donors learn more about each topic.

1. How should I think about allocating my charitable dollars in a time of crisis?

“There is a response phase in this crisis which is distinct from a recovery phase. Philanthropy and effective action in the response phase are about addressing individuals, families, and laid off workers who are experiencing a severe impact now – and if we’re lucky, the response phase is measured in months. The recovery phase is about the needs of the community and nonprofit sustainability and is measured in years.”

Tony Mestres, President & CEO,
Seattle Foundation

In a time of crisis such as the COVID-19 pandemic we are facing, it can be challenging to know how to best allocate your charitable resources across different possible categories of need. In addition, once you have clarified your allocation priorities, it can be difficult to know which organizations to support within each category, how best to invest in those organizations, and what other resources you might use to further your philanthropic goals. As Pine states, “There is no blueprint for finding the right balance.”

But in times of crisis, as at all other times, it is important for donors to first remember their mission and goals for giving and use those as a compass for their philanthropic decision-making. With a firm understanding of your philanthropic goals, you can then address the question of how to allocate your charitable dollars and non-financial resources.

Several philanthropy experts recommend donors consider three distinct categories when deliberating how best to allocate their charitable dollars in a time of crisis. The first category is providing support for your current nonprofit partners; the second category involves providing support to address the immediate health and economic impact of the crisis; the third category is making grants to address the long-term impact of COVID-19. We will discuss each of these in turn in this section and later in the publication.

Provide support for organizations you currently fund

In the Center for High Impact Philanthropy’s guidance to donors entitled “COVID-19 Pandemic: Effective Crisis-Response Giving & Grantmaking” the authors recommend donors “Start first with the nonprofits you

already know and trust, especially when they serve those already vulnerable to COVID-19...and those at risk due to their work.” Jessica Robinson Love, Associate Managing Director at Arabella Advisors notes that figuring out how to support organizations and issue areas you already fund is the one that will likely require the most attention.

Phil Buchanan, President of the Center for Effective Philanthropy and author of “Giving Done Right” acknowledges that with the far-reaching nature of this crisis, it can be overwhelming to know how to prioritize your efforts among your grantees who are all in need at the same time. “If a hurricane struck Houston, I wouldn’t be thinking about the organizations I support in Massachusetts,” says Buchanan. “But in this global crisis when everyone is impacted by the economic meltdown, donors need to figure out which organizations are most vulnerable during this crisis, and ask what they can do for them.” The core principle underlying how to effectively support your current nonprofit partners is to ask them what they need, listen, and act on what you hear.

Fund targeted crisis response efforts

In addition to supporting existing grantees, many donors will also want to invest in targeted crisis response efforts. Yet even as donors seek to address crisis response efforts, it can be challenging to know how best to do this. “Now is not the right time to source new partners,” advises Nick Tedesco, President and CEO of the National Center for Family Philanthropy (NCFP). “Now is the time to leverage organizations that have longstanding relationships with the community and can do the work with expediency and trust.” Donors can turn to their local community foundations, United Ways, local regional grantmaking associations, and national nonprofits, many of which have led or played a role in creating COVID-19 response funds that are specifically designed to address immediate needs in this crisis. NCFP and Giving Compass have partnered to compile and vet a comprehensive list of COVID-19 response and recovery funds¹ that represent the full breadth and depth of work happening in the sector across wide and diverse geographies. At time of writing, there are more than 450 COVID-19-specific funds in their database which also features an interactive map. Donors can search for funds to support by category (e.g. arts and culture, education, health, human services; and region of the world) and by location (U.S. states and countries).

¹ <https://givingcompass.org/coronavirus-covid19> and <https://www.ncfp.org/knowledge/covid-19-response-and-recovery-funds/>.

Robinson Love observes that because of the ripple effects of the COVID-19 crisis, there is not a single issue area that philanthropists care about that isn't being impacted. For example, for donors who care about education, there may be ways to address the digital divide inequities as students around the world participate in distance learning. Or, for a philanthropist who is committed to improving the lives of women and girls, the rise in domestic violence during shelter-in-place may be an issue they want to address. Those donors that need help analyzing the impact of this crisis on a particular issue area they care about may want to consider engaging a philanthropic advisor. "You can turn to philanthropy professionals so you don't have to do this yourself," notes Buchanan. "It's often a smarter way to give than going it alone."

the most vulnerable communities and those that serve them. You can search the database of COVID-19 funds and select ones that are specifically designed to support traditionally under-represented communities and those in greatest need.

Invest in longer-term recovery efforts

It is increasingly clear that this crisis will not be over quickly. Recovery will require sustained efforts on the part of government, business, and philanthropy. "In disasters in general," Buchanan observes, "the tendency of donors is to focus on the short-term and the immediate need and neglect the long, slow rebuilding that will be required." In this crisis, it is essential that philanthropists engage in "a parallel effort to the response phase to support the entire nonprofit sector and ecosystem to survive through what will likely be a multi-year effect," says Mestres.

The Disaster Philanthropy Playbook, published by the Center for Disaster Philanthropy provides many tips on recovery, rebuilding, and action steps philanthropy can take after a natural disaster. Some of these tips, such as investing over a ten-year time horizon with patience and flexibility, are applicable to the current crisis. The extent of the recovery and rebuilding required from the COVID-19 pandemic are yet to be determined but past experience suggests that philanthropy's role in recovery will need to focus on helping communities build back with stronger infrastructure and more equitable systems.

Pay attention to persistent inequities

While the virus doesn't discriminate, recent data show that COVID-19 is a magnifier of inequality in the U.S. People of color – particularly Black, Latinx, Native Americans, and some Asian groups – are the ones being hit hardest by this pandemic. "For example, people of color are more likely to be working in the 'essential' jobs that put them at much greater risk of exposure to COVID-19," says Buchanan, "and the industries most affected, like hospitality, are disproportionately staffed by immigrants and women." He suggests donors consider focusing their funding on

2. What types of non-financial resources can I offer nonprofits in a time of crisis?

“In addition to providing financial support, there are a whole host of ways for donors to lend their skills to address needs during this critical time. For example, donors can volunteer, show empathy to neighbors and community members, and leverage their voices.”

Nick Tedesco, President and CEO,
National Center for Family Philanthropy

Investing your charitable dollars to address the needs of your current grantees, support organizations addressing the immediate health and economic crisis, and invest in longer-term recovery and resilience efforts is of critical importance to help people and communities. In addition, philanthropy experts recommend donors consider how they can invest their non-financial resources to help nonprofit organizations during times of crisis. These opportunities to complement your charitable dollars include volunteering, leveraging your business resources, and exploring other creative ways to support nonprofit organizations.

Volunteer

When thinking about how to help beyond providing financial resources, experts suggest donors consider volunteering. “Volunteering can take a couple different forms,” says Tedesco. “One form is volunteering to provide frontline support; the other is volunteering to build the capacity of nonprofit partners.” A lot of direct service organizations are struggling with a lack of volunteers on whom they have depended in the past to provide critical services. For example, at Sacred Heart Community Services in San Jose, California, their pool of more than 10,000 volunteers disappeared overnight when shelter-in-place orders were announced in their county. Many nonprofit volunteers tend to be retired and older and understandably concerned with being at risk of contracting the virus through interactions outside of their homes. Buchanan suggests donors consider ways they might volunteer that feel comfortable and aren’t high-risk. For example, individuals can do home deliveries for food banks in a way that maintains social distancing, or volunteer with fundraising efforts that take place over video or phone.

During this crisis, many nonprofit leaders are struggling to keep their organizations running with reduced staff capacity due to sickness, childcare and other family responsibilities, furloughs, and layoffs. Philanthropists with specific skillsets can offer their

services and expertise to build the capacity of nonprofits who desperately need help with web development, accounting, fundraising, navigating the recently approved CARES Act, and many other areas. Donors can also serve as a trusted sounding board to nonprofit leaders who need an empathetic and listening ear and encouragement as they offer the same to their staff. Tedesco recommends donors look at skills-based volunteer matching platforms such as Catchafire and Taproot Foundation to match them and their skillsets with organizations in need.

Leverage your business resources

Betsy Erickson, Senior Director at Arabella Advisors recommends donors “consider ways their time and expertise or business connections and other forms of capital can supplement financial capital.” During this crisis, many nonprofits who have moved their staff to working from home need access to laptops, monitors, licenses for software, video-conferencing tools, and office supplies. Donors who have these resources can make them available to nonprofits in need. Philanthropists can also help meet direct needs in the community. For example, donors who own technology companies are providing much-needed computers and tablets for inner-city children who need them for their online schooling. Other donors who own transportation businesses are redirecting their trucks and drivers to transport food to those in need. And family-owned distilleries are shifting their production away from spirits and making hand sanitizer for their local communities.

Explore other creative ways to support nonprofit partners

There are other creative examples of non-financial resources donors can offer to nonprofits to show support. One donor provided their nonprofit partners with free passes to online yoga and mindfulness classes for their staff. Another funder sent each nonprofit staff member attending a grantee video conference call a gift certificate for a food delivery service so they could enjoy lunch together while sharing about their experiences during this crisis. One’s creativity is the only limit to what else a donor might offer to support and encourage nonprofits during this difficult time.

The GSPF publication “Getting Started with Your Philanthropy” provides more examples and detail on how donors can leverage their impact capital, time, skills and expertise, and personal and professional networks, in addition to their charitable dollars.

3. How can I best support the organizations that I currently fund in a time of crisis?

“The best ways to support grantees in a time of crisis are the same gold standard practices funders should be embracing all the time.”

Stephanie Fuerstner Gillis, Director,
Impact-Driven Philanthropy Initiative,
Raikes Foundation

During this crisis, donors are receiving an overwhelming number of requests for funding from the organizations they currently fund as well as many new organizations. Before you begin responding to these requests, several philanthropy experts recommend you first pause and assess your upper threshold of financial giving and time. Tedesco suggests you ask yourself: “What is the commitment I’m willing to make given the needs I’m seeing?” Then, starting with your existing nonprofit partners, make as significant and long-term of a commitment as you can for those who are in greatest need.

Embrace effective giving practices

In the Goldman Sachs Philanthropy Fund publication “Measuring and Maximizing the Results of Your Philanthropy,” Fuerstner Gillis describes the gold standard practices for giving in the philanthropic sector. These best practices include making general operating support grants, providing multi-year grants, providing flexible funding, making capacity-building/organizational effectiveness grants, ensuring grants are covering the full costs, and listening to the nonprofits and the people and communities they seek to help to inform grantmaking and giving strategy. She encourages donors to examine how their philanthropic practices measure up against these best demonstrated practices.

In early April 2020, the Council on Foundations (COF) issued a call to action to funders around the globe, asking philanthropy to make commitments that “recognize the critical need to act with fierce urgency to support our nonprofit partners as well as the people and communities hit hardest by the impacts of COVID-19.”² More than 750 foundations (at time of writing) have signed this pledge which includes eight commitments to best support nonprofit partners in this time of crisis:

- Loosen or eliminate the restrictions on current grants
- Make new grants as unrestricted as possible, so nonprofit partners have maximum flexibility to respond to this crisis
- Reduce what we ask of our nonprofit partners, postponing reporting requirements, site visits, and other demands
- Contribute to community-based emergency response funds
- Communicate proactively and regularly...while not asking more of grantee partners
- Commit to listening to our partners and especially to those communities least heard
- Support, as appropriate, grantee partners advocating for important public policy changes
- Learn from these emergency practices

Give expediently and thoughtfully

One of the most important ways donors can support the organizations they currently fund is to give expediently and thoughtfully. As the Center for High Impact Philanthropy states, “The scale of this crisis means all nonprofit organizations – and the communities they serve – are affected. Giving immediately shores up the nonprofit infrastructure that every community relies on.”³ If you have already decided to fund certain organizations this year, consider sending the grants now, instead of waiting until later in the year or December; or “tell partners you make a grant to every year that you will lock in those grants for three years,” suggests Erickson. If you planned to attend a nonprofit’s fundraising gala that typically happens in the spring or summer, consider providing that commensurate support now, as many organizations have incurred those upfront costs for postponed or canceled events. However, it is also important to be thoughtful about how you provide more money to the organizations you currently support.

In a desire to act quickly, it can be tempting for donors to want to give all your grantees X% more or Y dollars to each organization you fund across the board. Buchanan suggests donors instead take a few extra days to really understand the needs of the nonprofits that are key to your goals and strategies. He urges funders to recognize what the risk factors are for organizations, such as a reliance on earned revenues, low reserves, or an abundance of small donors. Mestres points out that certain types of organizations

² www.cof.org/pledge

³ The Center for High Impact Philanthropy “[COVID-19 Pandemic: Effective Crisis-Response Giving & Grantmaking.](#)”

are especially struggling such as those in the arts sector. He says, "There is a perception that what they fundamentally do doesn't have the same level of urgency as food security or health assistance. Their financial challenges are also particularly acute right now because their operating models are more dependent on earned revenue through ticket sales." These organizations are simultaneously hit by these two influences that put them in a particularly severe financial situation. "Find out which ones are on the edge, and target your resources there," says Buchanan, "rather than organizations that might have an endowment or significant reserves to help them weather this time." And, "when you give, make as significant and long-term of a commitment as you can, recognizing that anything you can do to remove uncertainty will help them focus on their mission and the work."

4. How can I take the long view on my philanthropy?

“This is going to be a long and unfolding story; the needs will be sustained and great. And there will be opportunities for philanthropists to work differently to support the social sector and work towards a more equitable and sustainable society.”

Jessica Robinson Love,
Associate Managing Director,
Arabella Advisors

Tedesco recommends that all donors begin with their mission in mind, saying: “The long view on your philanthropy must be borne out of your values and motivations for giving.” He suggests donors ask themselves: ‘Why do I choose to give back?’ And, ‘What do I want to accomplish in the near and long-term?’” The answers you provide to these questions are deeply personal, and will also inform how you allocate your charitable dollars and non-financial resources both in a time of crisis and on an ongoing basis. Erickson suggests there are multiple ways that philanthropists can think about the world and their role in it in the long view including continuing to implement effective giving practices beyond the current crisis, increasing annual giving amounts into the future, and investing in the creation of a new, more just, and equitable society.

Continue implementing effective giving practices

As we stated earlier, effective giving practices in a time of crisis are essentially the same ones that should be employed by donors all of the time. Giving multi-year, unrestricted, flexible grants; providing non-financial resources; and listening to nonprofit partners and especially to those communities least heard are the gold standard. Taking the long view on one’s philanthropy means embracing these effective giving practices as standard practice for the long-term.

Consider your annual giving

“How you approach the question of whether to significantly increase your annual giving will differ if your values are to serve the community’s immediate needs, perpetuate your family legacy, or be a reliable source of capital for years to come,” says Tedesco. He

encourages donors to model their financial projections to understand the financial resiliency of donor advised funds and/or foundation endowments in the long run. Your Private Wealth Management Team can help run these types of calculations to inform your decisions.

Conclusion

"This is a time when humanity is fundamentally tested; a time when each of us is called to reflect on how we might not only persist, but contribute to the health and well-being of those around us."

Nick Tedesco, President & CEO,
National Center for Family Philanthropy
A Letter to the Community (March 23, 2020)

The phrases "these are unprecedented times" and "now, more than ever" are ones we read and hear repeatedly during this COVID-19 health and economic crisis. Philanthropists have an opportunity to provide a wide range of financial and non-financial resources to support their current nonprofit partners, meet the immediate needs of people and communities most

vulnerable during this crisis, and invest in the long-term recovery of the social sector. It is worth adding one last note to this publication, which has been full of information about how donors can take care of others and their communities. Don't forget to take care of yourself. The experts at the National Center for Family Philanthropy point out the importance of taking a deep breath and time for quiet reflection and practice.⁴ All of us at the Goldman Sachs Philanthropy Fund and those who contributed their thoughts and insights into this publication thank you for your focus and commitment to philanthropy and for bettering and improving our society in so many ways. For more information on this topic or additional assistance with philanthropic topics, contact your Goldman Sachs Private Wealth Management Team.

⁴ National Center for Family Philanthropy. "[Leadership in Difficult Times: Guidance for Donors and Giving Families: Where Do We Start?](#)" p. 4.

Recommended Resources

1. How should I think about allocating my charitable dollars in a time of crisis?

Provide support for organizations you currently fund

- Bolduc, Kevin. "[Six Tips for Funders to Listen Well Right Now.](#)" April 30, 2020.
- Betsy Doyle, Michael Etzel, Peter Kim. "[What Philanthropy Can Do Today to Support Grantees Through the Coronavirus \(COVID-19\) Crisis.](#)" March 17, 2020.
- Center for Disaster Philanthropy. "[Basic Tips for Disaster Giving.](#)"
- Center for Disaster Philanthropy. "[COVID-19 Coronavirus.](#)"

Fund targeted crisis response efforts

- Coronavirus and COVID-19 Response and Relief Funds. This list and map of funds were compiled by the National Center for Family Philanthropy in partnership with Giving Compass. <https://givingcompass.org/coronavirus-covid19> and <https://www.ncfp.org/knowledge/covid-19-response-and-recovery-funds/>
- Smith, Lauren. "[COVID-19 – Seven Things Philanthropy Can Do.](#)" March 2, 2020.
- Tomasko, Laura. "[Six Questions to Guide Your Pandemic Charitable Giving.](#)" Urban Wire: The blog of the Urban Institute. May 5, 2020.

Invest in longer-term recovery efforts

- The Center for Disaster Philanthropy. "[Disaster Philanthropy Playbook: Recovery and Rebuilding.](#)"

Give generously

- Wallestad, Anne. "[Essential Questions for Foundation Boards in a Time of Crisis.](#)" Center for Effective Philanthropy blog. April 21, 2020.

2. What types of non-financial resources can I offer nonprofits in a time of crisis?

- Catchafire: A nonprofit organization whose mission is to strengthen the social good sector by matching professionals who want to donate their time with nonprofits who need their skills. www.catchafire.org.
- Taproot Foundation: A nonprofit organization whose mission is to help nonprofits and social change organizations solve critical challenges in their communities with the support of skilled volunteers sharing their expertise pro bono. www.taprootfoundation.org.
- Tuan, Melinda. "[Getting Started with Your Philanthropy: An Overview for Donors.](#)" Goldman Sachs Philanthropy Fund. April 2016.

3. How can I best support the organizations that I currently fund in a time of crisis?

- Bugg-Levine, Antony. "[6 Steps for Grant Makers to Take Now to Ensure Nonprofits Recover from Coronavirus Spread.](#)" March 9, 2020.
- Council on Foundations. A Call to Action: Philanthropy's Commitment During COVID-19. www.cof.org/pledge.
- The Center for High Impact Philanthropy. "[COVID-19 Pandemic: Effective Crisis-Response Giving & Grantmaking.](#)"
- Pine, Leslie. "[6 Questions for Funders to Consider During the COVID-19 Crisis.](#)" The Philanthropic Initiative. April 10, 2020.
- Valerie Threlfall, Melinda Tuan, Fay Twersky. "[Fulfilling Philanthropy's COVID-19 Pledge: Listening in a Time of Crisis.](#)" Center for Effective Philanthropy blog. April 9, 2020.

4. How can I take the long view on my philanthropy?

- Bielak, Debby and Willa Seldon. The Bridgespan Group. "[Four Ways for Community-Focused Philanthropy to Confront the Coronavirus \(COVID-19\) Crisis.](#)" April 13, 2020.

- Buchanan, Phil. "Giving Done Right: Effective Philanthropy and Making Every Dollar Count. Chapter 7: Deploying All the Tools." New York: *Public Affairs*. 2019. pp. 171 – 175.
- Tengue, Afi. "[Reimagining and Restructuring Amid COVID-19: Three Tenets for Donors.](#)" Giving Compass. May 19, 2020.
- National Center for Family Philanthropy. "[Leadership in Difficult Times: Guidance for Donors and Giving Families. Responding to the Emerging COVID-19 and Economic Crises.](#)" March 2020.
- Stanford Social Innovation Review. "[Rethinking Social Change in the Face of Coronavirus.](#)"