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How a Philanthropic Advisor Helps Hesitant Wealthy Donors Level Up Their Giving

Mike Scutari | January 25, 2024



When it comes to philanthropy carried out by a certain segment of wealthy donors, “the pause” is all too real, according to Erinn Andrews, founder and CEO of philanthropic advisory firm [GiveTeam](#).

Often, Andrews says,

donors postpone embarking on impactful giving, daunted by the task and unsure of how to proceed.

She referenced a client who had a “major wealth event” and put the money into a family foundation. The first year’s grace period passed and he didn’t make a gift. The second year approached and he realized needed to

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spend 5% to conform with IRS regulations. So he did what countless high-net-worth peers do — “he moved the money into a [donor-advised fund](#) (DAF), which he can legally do,” Andrews said, and where it can sit forever since the IRS does not require the donor to distribute the funding to nonprofits on any timetable.

The individual wasn’t maliciously hoarding wealth, she stressed. He *wanted* to give — and give effectively — but was overwhelmed by the prospect of disbursing a half-million dollars and too busy to research impactful organizations to support. “The two to 10% of givers aren’t being properly served and that’s quite a range,” she said. “I hypothesized that without a strategy, they were not going to increase their giving.”

The mission of Andrews’ firm is to unlock funding from donors who give \$10,000 to \$500,000 annually, but want to do so more strategically. To support this demographic — Andrews calls them “high-capacity donors” — GiveTeam partners with their financial advisors to sketch out a values-based giving strategy and curates a list of recommended regional nonprofits. The process generates a framework that enables time-constrained individuals to ramp up their giving and support high-impact organizations outside their comfort zones.

It also, as it turns out, gives Andrews an illuminating look into what makes these high-capacity donors tick.

Understanding high-capacity donors

After earning her B.A. and M.A. from Stanford University, Andrews launched a start-up nonprofit



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called Philanthropedia to identify high-impact nonprofits. After a few years, Philanthropedia was acquired by GuideStar (now Candid after a merger with Foundation Center), where she oversaw its nonprofit strategy.

Following her stint at GuideStar, Andrews led the Effective Philanthropy Learning Initiative at Stanford's Center on Philanthropy and Civil Society. At PACS, her focus was "how to help wealthy donors give more thoughtfully and effectively," she said.

Not surprisingly, she found that many affluent donors would cut checks to familiar suspects like [their alma mater](#), church, or a local arts group. But other donors felt they could be giving more strategically. "They would tell me, 'I just gave away \$50,000, and I can't remember where I sent it. I should be able to do this better,'" Andrews explained. This challenge was often more acute for donors like the client who offloaded money into a DAF.

Andrews concluded that these donors need three things to become more thoughtful and effective philanthropists. They need an organizing framework aligned with their values. They need [the proper giving vehicle](#) for achieving their aims. And they need to know which nonprofits align with their priorities so they can support them.

Andrews found that in-house philanthropic advisors at the big financial services firms and DAF sponsors generally did a good job at addressing these needs for the 1% givers, those operating at the highest echelons of wealth and philanthropy. But aside from identifying

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the appropriate giving vehicle, advisors rarely craft values-based giving strategies or recommend nonprofits to donors outside of that rarified segment. She considered all the moving parts, saw an opportunity and founded GiveTeam.

How the process works

The process typically begins when a financial advisor introduces the donor to GiveTeam. Andrews walks the client through a values-based exercise — the advisor is welcome to sit in — hitting on previous giving or resonant personal experiences.

She'll determine how much the donor plans to give and how much will flow to any "usual suspects." She'll ask questions to better understand their personal experiences and giving preferences. Are they drawn to organizations providing direct services and scholarships, or those focused on **movement-building**? Do they prefer organizations that document their impact qualitatively, quantitatively or a mix of the two?

In some cases, the exercise surfaces glaring misalignments between the donors' professed interests and previous giving patterns. "Sometimes they'll say, 'We care about **women and girls**, but we haven't been funding anything related to that, and that's not okay," Andrews said.

At this point, the advisor will step in and suggest a proper giving vehicle based on the discussion. In most cases, financial firms pay GiveTeam as a service to their client, although clients can pay GiveTeam

directly. GiveTeam can also partner with a financial firm's in-house philanthropy advisors.

Beyond the usual suspects

Equipped with the client's interests and budget, Andrews refers to one of the firm's 13 custom-built databases, each with roughly 1,000 organizations, to identify possible grantees. "I take a region-based approach because it is likely to result in a better and more tangible relationship," she said. "The other reason is that those dollars go further locally than nationally. We don't only recommend organizations at the local level, but we do specialize in it."

Andrews populated the database with grantee organizations that received support from 20 to 40 "thoughtful" funders per region, including community, family and private foundations, as well as donor collaboratives. By doing so, Andrews piggybacks off of the due diligence that's already taking place at those grantmaking entities. If she can't identify a sufficient number of viable organizations in a region where GiveTeam doesn't yet have a database, she may reach out to colleagues in that region for recommendations or dig into the local community foundations and [giving circles](#).

Stats on the groups the firm recommends suggest that they're not big, obvious NGOs. Seventy percent of organizations have less than \$5 million in annual expenses, 40% have under \$1 million and 10% are fiscally sponsored. "For the most part, they aren't the usual suspects," Andrews said. "We want to be able to connect donors with organizations they may have

never heard of, often led by folks from the community that they're serving.”

Andrews presents the client with a report that recommends nine to 12 nonprofits, typically three or four per cause area, along with suggested grant amounts and examples of how the organization achieves impact. For example, if the donor is more qualitatively inclined, the report will include stories of individuals who benefited from the organization's work. GiveTeam also offers annual check-ins to revisit and potentially recalibrate the strategy.

Tips for nonprofits

These high-capacity donors may not actively seek out nonprofits on their own, but they don't live in caves. Donors will encounter local organizations from time to time, and Andrews encourages nonprofit leaders to employ best practices to maximize the odds of a successful engagement.

Most notably, they should make sure their GuideStar profiles and websites are updated, since they are the two main ways that an individual will engage with an organization. Whenever possible, the website should include impact reports and beneficiary stories.

“Anything that shows how the nonprofit is addressing key problems is very important,” Andrews said.

Should the nonprofit land a new donor, Andrews encourages them to take a personalized approach toward ongoing engagement by, for example, giving the donor a menu of options, including signing up for the newsletter, volunteering, attending events, and if

possible, dictating how often they'd like to be contacted. "I make donations, and sometimes I don't feel like I've been given the option of how I want to show up," Andrews said. "So one of the challenges is finding out the ways that that donor wants to be engaged and not assuming one size fits all."

Again, Andrews stressed that her audience isn't megadonors cutting huge checks to their alma maters or local philanthropists making the rounds on the black-tie gala circuit. It's the well-intentioned, overworked and frequently guilt-ridden givers who aren't reaching their philanthropic potential. "There are a lot of wealthy folks out there who are overlooked and that's a missed opportunity," she said. "If we can chip away at that segment in a thoughtful way, we can be unlocking so many resources that could have an amazing impact."

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