



Kent Academic Repository

Pisharody, Stephanie (2023) *Joining the Club: the role of giving clubs in fundraising for health and disability charities in the UK. Voluntary Sector Review* . pp. 1-9. ISSN 2040-8056.

Downloaded from

<https://kar.kent.ac.uk/102118/> The University of Kent's Academic Repository KAR

The version of record is available from

<https://doi.org/10.1332/204080521X16861482748355>

This document version

Author's Accepted Manuscript

DOI for this version

Licence for this version

UNSPECIFIED

Additional information

Versions of research works

Versions of Record

If this version is the version of record, it is the same as the published version available on the publisher's web site. Cite as the published version.

Author Accepted Manuscripts

If this document is identified as the Author Accepted Manuscript it is the version after peer review but before type setting, copy editing or publisher branding. Cite as Surname, Initial. (Year) 'Title of article'. To be published in **Title of Journal** , Volume and issue numbers [peer-reviewed accepted version]. Available at: DOI or URL (Accessed: date).

Enquiries

If you have questions about this document contact ResearchSupport@kent.ac.uk. Please include the URL of the record in KAR. If you believe that your, or a third party's rights have been compromised through this document please see our [Take Down policy](https://www.kent.ac.uk/guides/kar-the-kent-academic-repository#policies) (available from <https://www.kent.ac.uk/guides/kar-the-kent-academic-repository#policies>).

policy and practice

Joining the Club: the role of giving clubs in fundraising for health and disability charities in the UK

Stephanie Pisharody , stephpisharody@gmail.com

University of Kent, UK

Fundraising is essential to the voluntary sector. Giving clubs, where donors are publicly recognised for a gift at a specific level, are prolific in the context of university and arts fundraising to support giving. However, there is little known about their role in other cause areas. This paper examines giving clubs in UK health and disability charities and explores the benefits and challenges they offer to fundraisers working in UK nonprofit organisations.

Key words giving clubs • donor recognition • benefits • major gifts • fundraising

To cite this article: Pisharody, S. (2023) Joining the Club: the role of giving clubs in fundraising for health and disability charities in the UK, *Voluntary Sector Review*, XX(X): 1–9, DOI: 10.1332/204080521X16861482748355

Context

The voluntary sector is dependent on fundraising, with almost half of voluntary sector income coming from donations (NCVO, 2021). As a result, identifying effective fundraising practices is critical for many charities. To encourage donations at a mid to major level, giving clubs are a common approach, where donors who make gifts at a specified level are recognised alongside others at the same level. Originating in the US, giving clubs have spread globally, with formats that began in US alumni giving now found in a wide range of UK charities, although particularly prevalent in art, culture and higher education sectors (Sargeant and George, 2021). The terminology varies, with names including clubs, societies, circles, patrons and more, but in essence such programmes provide recognition to donors at one or several prescribed gift levels, acknowledging their giving and often offering defined benefits and engagement opportunities alongside other donors giving at a similar level. Recognition and reward appear core to their role in encouraging donors to give.

There is much literature exploring the complex mix of motivations as to why people give (Payton, 1996; Bekkers and Wiepking, 2011; Pharoah, 2016), and this provides a useful context for examining the role of giving clubs. Recognition is perceived widely to have a positive influence on philanthropy (for example, Breeze and Lloyd, 2013). It is evident in familiar fundraising practice around us, from poppies and

daffodils worn to signal a £1 donation in a street collection, to museum galleries and university colleges named in perpetuity. Specific to this paper, research by Karlan and McConnell (2014) found recognition to be of primary importance to giving clubs in the US higher education sector. It is argued that the personal advantage created through recognition, termed 'prestige' (Harbaugh, 1998) and 'reputation' (Bekkers and Wiepking, 2011), is a defined benefit to donors. This and other benefits, such as exclusive events or networking opportunities, can be seen within giving clubs and imply reciprocity at the heart of such giving relationships (Waters, 2009). However, the role of recognition and benefits as motivation for donors is disputed; research by McDonald et al (2011) finds reciprocation problematic, and even that overt recognition is a deterrent to some. Indeed, material exchange can have a negative impact on self-attribution of helpfulness (Bekkers and Wiepking, 2011), in a context where altruism is a motive frequently reported by donors at a major gift level (Breeze and Lloyd, 2013). Literature also finds a range of other donor motivations that may be relevant here. Social drivers of participation and community (Schervish and Havens, 1997; Kim et al, 2021) are found to motivate giving through a combination of invitation and obligation which can be fostered within a group giving dynamic. Social norms (Wiepking and Heijnen, 2011) and giving customs (Wilmoth, 1990) also influence donors, as the sharing of social information on whether and how people give is found to modify giving behaviour. Furthermore, a charitable cause can affect giving motivation (see, for instance, Body and Breeze, 2016); pertinent to this paper is the widely reported link between direct personal experience and giving to health and disability charities (Pharoah, 2019). The literature exploring why people give provides an interesting context in which to understand the role that giving clubs play.

From the fundraiser's perspective, literature about fundraising theory and practice predominantly refers to giving clubs as a means of stewarding donors (Dovey, 2020). Donor stewardship is the ongoing process of deepening the relationship between charity and donor by listening, communicating and engaging, and is widely recognised as important to maintaining and extending donor support (Kelly, 1998). This is important given the broad consensus that existing donors have greater lifetime value potential for a charity than new donors (Sargeant and Woodliffe, 2007). As well as a framework for stewardship, giving clubs are also credited with providing an entry point to higher-level giving, extending the support of existing donors, both in gift value and giving longevity, and potentially creating a stepping-stone to other philanthropy such as capital appeals, legacies and volunteering (Sargeant and George, 2021). Thus, whilst responding to donor motivations is seen as their primary rationale, giving clubs also have the potential to have wider value to fundraising practice. They could be argued to support across multiple elements of the fundraiser's role, concisely defined by Breeze (2017) as fostering philanthropic culture, framing legitimate need, and facilitating giving.

Charities across a range of causes have chosen to develop giving clubs as part of their fundraising activity. However, there is a lack of empirical study into the role, format or effectiveness of giving clubs outside of the US, and this challenges our understanding of their position in UK fundraising. In today's evolving philanthropic environment, fundraisers are encouraged to be fresh and imaginative in their activities so that they engage donors as effectively as possible. Strategic tools such as the Boston Matrix (Management Centre, nd) assert that fundraising products have distinct phases and limited lifespans and as such must be regularly reviewed and adapted. There is

an obvious risk when adopting fundraising practices from other contexts without interrogation. If their relevance is not assessed, there is a danger, as Cluff (2009) warns in her reflections on contemporary major gift fundraising, of being 'trapped in a number of ideas and models developed many years ago for the world of higher education capital campaigns in the US' (Cluff, 2009: 377).

Methodology

Semi-structured interviews were held in summer 2022 with nine fundraisers and two fundraising consultants, all active within health and disability UK charities and with substantial experience of working with giving clubs. The research sample included organisations as diverse as a national research charity, regional air ambulance trust, and health campaigning organisation and were distributed in size between large and super major (NCVO, 2021). Interviews were recorded and transcribed. Thematic analysis was undertaken in the context of a literature review of wider research including why donors give and fundraising theory. The findings are summarised in this paper, and conclusions and implications for practice drawn.

Findings

Theme 1: Giving clubs respond to the motivations of donors, but these are more nuanced than the anticipated drivers of reputation and benefits

Donor motivation is referenced by most of the interviewees as fundamental to the design and value of giving clubs. Relationships with donors and appreciation of their motives for giving are considered to be the basis of successful giving clubs.

'Reputation' and 'benefits' are alluded to frequently by participants as the assumed motivations of donors joining giving clubs. Significantly, however, they are not deemed to be the most important. On the contrary, it is those that relate to the social act of giving, being part of a community of givers and the desire to participate and belong, that are most cited as driving people to give through giving clubs. This dispels Harbaugh's (1998) prestige model which places public reputation as the foremost motivation for US donors, and suggests that for these donors, prestige is, in general, more subtle and understated. Donors are seen to be motivated by "being part of something" (Interviewee 8) and "working with like-minded people towards a common goal" (Interviewee 1). This reflects Schervish and Havens' (1997) argument of the importance of 'communities of participation' influencing giving, as well as the impact of social norms (Bekkers and Wiepking, 2011) modelling giving behaviour. While it is acknowledged that donors appreciate being recognised, the interviewees are clear that this is less about public reputation but rather self-actualisation and profile among peers, as demonstrated by the interest in networking opportunities.

The perception that donors join giving clubs because of tangible benefits provided in return is not evidenced in this study. While benefits traditionally form part of the giving club offer in the culture and higher education sectors (Karlán and McConnell, 2014), this research finds a reluctance among fundraisers to accept benefits as a driver for donors' giving, and a distinct move away from

listed tangible benefits or prescribed gift tiers in their practice. A number of interviewees cite exploratory conversations with donors who “shy away from” benefits (Interviewee 2), and “just want to give” (Interviewee 9); there is a pervasive understanding that material reciprocity cannot be part of “a proper relationship vehicle” (Interviewee C1).

The reluctance of fundraisers to accept benefits as a driver to give led to discussion about the role of altruism in the giving club context. As shown by Breeze and Lloyd (2013), altruism is often self-reported by donors at a major gift level. The rejection of benefits by the fundraisers in this research, and their deliberate distancing from recognition as a giving motivation in giving clubs, suggests that the fundraisers are choosing to support donors in their preferred conceptualisation of altruism as the motivation for their giving. While recognition is an undeniable factor in the concept of giving clubs, the findings of this research discover wider and more nuanced motivations driving people to give in this way.

Theme 2: Giving clubs support fundraisers with donor relationships, management and stewardship

Beyond the perception that giving clubs hold value for donors, the majority of the interviewees consider giving clubs also to be useful in their fundraising practice, and there was a high level of optimism about the opportunities they provide: “there is so much potential here for growth and innovation” (Interviewee 5). Giving clubs are found to provide a means of supporting the multi-faceted and often complex role of fundraisers, as explored by Breeze (2017). In particular, giving clubs are credited by those implementing them to enhance donor relationships and encourage loyalty and longevity of giving.

The importance of personal relationships in philanthropy is well recognised and giving clubs are seen to support relationship building with donors, “providing a really personal service to a lot of people” (Interviewee 7). They enable a framework for developing meaningful, close and multilateral relationships, between the donor, the cause and multiple members of the charity, including fundraiser, senior leadership, beneficiary and fellow donors. This has the benefit of deepening donor relationships so that they “feel like they’re on the inside” (Interviewee 1). Importantly, it is identified that giving clubs can enable more intimate types of “behind the scenes” engagement (Interviewee C1). Several participants refer to the value of donors hearing firsthand from researchers, or having face to face updates with experts in an area that they are personally interested in. It is acknowledged that developing and providing such opportunities, on a more personal level than routine donor communication, requires resource and organisation-wide commitment, but that success lies in the fundraiser’s ability to choreograph such connections as naturally and personally as possible.

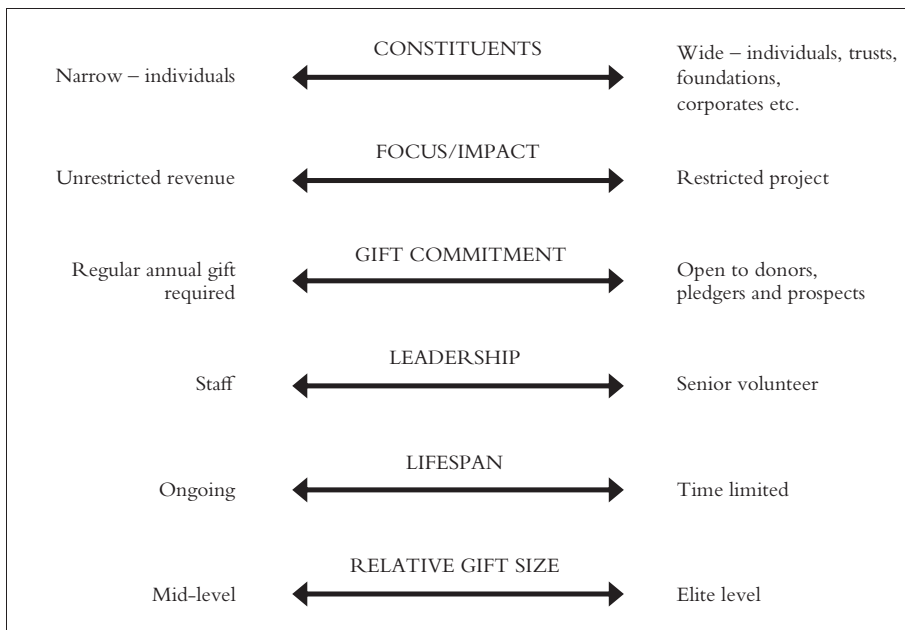
While individual fundraisers’ experiences vary, giving clubs are seen to support donor stewardship more than donor recruitment. They are cited as securing increased income for charities as they encourage committed, ongoing relationships. They remove the onus of repeated donor asks through their cyclical format and ensure consistency of stewardship and donor care through their structure. As one interviewee comments, they provide “stability” (Interviewee C1).

Theme 3: Giving clubs are not a single standardised model but are adapted to context

One of the most striking discoveries in the research is the variety of giving club formats. There is evidence across the sector that giving clubs are actively adapted and developed by fundraisers, allaying the concerns voiced by Cluff (2009) of fundraisers relying on fixed and dated models. They vary not only in scale and format but also in goal and purpose. Some focus on mid-level donors while others target major and even elite givers. The majority have a single gift level for membership, but some of these have most donors giving at the boundary level while others are genuinely broad in the range of gifts received, and others again have multiple, independent clubs at different gift levels. Some have the aim of raising annual unrestricted income while others are focused on specific projects and campaign targets. This breadth highlights that, despite the colloquial understanding of their use, there is not a simple classification of ‘giving club’: they cannot be considered a standardised fundraising approach but rather a tool that fundraisers can adapt creatively to maximise their value for each charity.

Each category identified in Figure 1 represents a separate decision by the fundraiser. As it implies, there are similarities prevalently towards the left with a mid-level membership format recognisant of mass market giving, and towards the right with a major donor format similar to a campaign model. In this research sample, there is a clear tilt towards a personal relationship approach over mass marketing even where positioning on the diagram is towards the left. There is no conclusion that one model is better than another; rather that a deliberate, focused and purposeful choice in the context of each specific charity is important. This reinforces the argument of the professional role of the fundraiser being at the centre of strategic, good fundraising (Breeze, 2017).

Figure 1: Visualisation of categories for consideration in developing giving clubs



Theme 4: Cause area is important to how donors engage with giving clubs

Fundraisers are aware of the relevance of cause area to how donors engage with a charity. This study confirms that giving clubs are perceived to play a role specific to the health and disability sector. Personal experience is rated very highly as a rationale for donating to health and disability, aligning with Pharoah (2019); participants note that where they have been touched by a charity or its cause, “people have a special connection” (Interviewee 7) and “feel a real closeness” (Interviewee 8). The giving club format is demonstrated to respond to this, by providing donors with a sense of community and belonging. While it is acknowledged that there can be a risk of the ‘one to many’ format being deemed impersonal in a context where motivation is highly personal, the overriding perception is that the multilateral relationships engendered by a giving club overcome this. Due to their collaborative nature, giving clubs are also perceived to heighten the degree of impact possible through a gift in a sector renowned for high costs, and provide a close communication framework in a complex and sometimes fast-moving context. While these reflections underpin the rationale for giving clubs in this cause area, caution should be noted in generalising these conclusions to other sectors.

Theme 5: Giving clubs entail risks which fundraisers must address

The study made clear that giving clubs are recognised by fundraisers to present both opportunities and challenges. Much of the research demonstrates a positive perception of giving clubs where they are reported to respond to donor motivation, deepen relationships, remain adaptable and focus on the cause. Their importance is highlighted by the fact that six of the nine charities interviewed are actively investing in developing and redefining their giving clubs and see them as useful in their future fundraising strategy. However, despite the many favourable observations, participants also advise of risks.

Firstly, the nature of giving clubs is to be exclusive. This is recognised as part of their attraction, but is simultaneously feared to lead to potential damage by excluding donors who do not comply with the giving club criteria. As Interviewee 1 says: “where there is potential of someone nearly fitting the criteria for inclusion, what is a team who effectively exist to deepen engagement with people to do, [when] obviously one of the purposes of these clubs is to exclude”.

Focusing purely on the financial value of a gift without considering the motivation or intent of the donor is also seen as perilous; while appropriate to some, this could repel others: “I have just given at a personal level. Don’t put me in a box” (Interviewee C2). Agreeing how rigorously criteria are applied, and how to manage donors who fall outside of the criteria, or indeed within but choose not to join, are identified as essential strategies that fundraisers must consider.

One of the most pervasive risks identified across the interviews is the threat of giving clubs “stagnating” (Interviewee 3 and 5) and becoming inapposite to the wider giving environment. Participants are concerned that original gift levels can be diminished over time not only by inflation but also by charity growth and giving expectations. Where they remain static, this could result in the giving club being “outpaced by the giving going on outside of the group” (Interviewee 2), leading to relatively excessive attention being given to members of the club. This is accentuated by the fact that, as several fundraisers note, it is challenging to amend gift parameters with longstanding

donors once in place. Lifespan is also a notable consideration; the recognition that fundraising activities have a finite life cycle is critical to the success of giving clubs. Maintaining growth requires constant review of their place in the wider market, delivery and resource; without this giving clubs could become, in the terminology of the Boston Matrix, 'decaying dogs' ([Management Centre, nd](#)).

Investment of time and resource is another important consideration. This research finds that an effective giving club is not solely about establishing a programme of benefits and engagement, but more importantly about long-term relationship building and stewardship. This is by its nature resource-heavy because it relies upon an investment of time by people within the charity. A further challenge is highlighted by one interviewee who questions how the long view and lifetime relationship embodied in the giving club format can be sustained when, as a charity, "the longest ahead we tend to look at organisational strategy is five years or so" (Interviewee C2); creating an ever-adapting and suitably resourced plan is essential to sustain a club aspiring to accommodate lifetime commitment.

Implications for fundraising practice and conclusion

The findings from this research are important for fundraisers in the UK voluntary sector because there persists a perception that giving clubs are a simplistic fundraising model, primarily concerned with prestige and benefits, most suited to the higher education, arts and culture sectors. This paper, and the evidence upon which it is based, challenges all three of these assumptions.

Firstly, the findings demonstrate that giving clubs are multi-dimensional and thus far from simple. Giving clubs can look quite different, yet retain a common objective: to increase loyalty and giving from donors by responding to their motivations. This is most positive and successful where they are recognised as operating in a dynamic philanthropic environment. Rather than a fixed model, giving clubs incorporate many flexible elements orchestrated by fundraisers to respond to the specific context of their charity and donors. Fundraisers should be bold and innovative in developing effective formats.

Secondly, findings show that prestige is not the primary motivator for donors to join giving clubs in this UK context, but rather that they are inspired by participation and being part of a philanthropic community. Tangible benefits and exclusive gatherings may play some role but donors do not wish such benefits to be perceived as the main driver of their giving and, even where important, fundraisers should offer and treat these with care. In line with the wider philanthropic environment, fundraisers should primarily communicate the impact of gifts on beneficiaries rather than the benefits to donors. Further to this, charities must provide a range of ways outside of giving clubs for donors to engage individually if they want to appeal to as many donors as possible. Donors have varied and complex motivations which shape expectations; it must be appreciated that giving clubs, however they are presented, may inadvertently deter some donors.

Thirdly, the prevalence of giving clubs in the health and disability sectors, and the wide perception of their potential, indicates that giving clubs have a role in UK charities distinct from the worlds of higher education, arts and culture. Indeed, charitable cause is reported to influence giving behaviour in health and disability charities. It is important for practitioners to recognise this and be aware of the specific implications for giving to their own cause area.

In conclusion, this research into the perceptions of fundraisers working with giving clubs in the UK health and disability sectors demonstrates that giving clubs have the potential to play a valuable role in fundraising. Importantly for practitioners, the range of giving club formats, and their capacity to be flexible, are shown as significant to their value. Where giving clubs succeed, they are more nuanced and adaptable than they first seem, fundamentally because of the skill of the fundraisers developing and implementing them, and mitigating the risks they involve. The giving club is not a simple or static model but a multifarious tool that must be tailored and flexible to remain effective, so that it responds to donor motivations and shifts in line with the contemporary philanthropic landscape. In recognising this, fundraisers can ensure that giving clubs are relevant beyond the traditional contexts of higher education, arts and culture to fundraising in UK health and disability charities, and potentially the wider voluntary sector.

ORCID iD

Stephanie Pisharody  <https://orcid.org/0000-0003-3222-3674>

Funding

The author received no financial support for the research, authorship, and/or publication of this article.

Acknowledgements

I am grateful to all those who took part in this research and to my supervisor, Dr Beth Breeze, Director of the Centre for Philanthropy at the University of Kent.

Conflict of interest

The author declares that there is no conflict of interest.

References

- Bekkers, R. and Wiepking, P. (2011) A literature review of empirical studies of philanthropy: eight mechanisms that drive charitable giving, *Nonprofit and Voluntary Sector Quarterly*, 40(5), doi: [10.1177/0899764010380927](https://doi.org/10.1177/0899764010380927).
- Body, A. and Breeze, B. (2016) What are 'unpopular causes' and how can they achieve fundraising success?, *International Journal of Nonprofit and Voluntary Sector Marketing*, 21(1), doi: [10.1002/nvsm.1547](https://doi.org/10.1002/nvsm.1547).
- Breeze, B. (2017) *The New Fundraisers*, Bristol: Policy Press.
- Breeze, B. and Lloyd, T. (2013) *Richer Lives: Why Rich People Give*, London: Directory of Social Change.
- Cluff, A. (2009) Dispelling the myths about major donor fundraising, *International Journal of Nonprofit and Voluntary Sector Marketing*, 14(4): 371–77, doi: [10.1002/nvsm.372](https://doi.org/10.1002/nvsm.372).
- Dovey, C. (2020) *The Giving Experience: Overcoming Barriers to Giving Amongst the Wealthy in the UK*, London: Beacon Collaborative/Chartered Institute of Fundraising.
- Harbaugh, W.T. (1998) The prestige motive for making charitable transfers, *American Economic Review*, 88(2): 277–82, <https://EconPapers.repec.org/RePEc:aea:aecrev:v:88:y:1998:i:2:p:277-82>.
- Karlan, D. and McConnell, M.A. (2014) Hey look at me: the effect of giving circles on giving, *Journal of Economic Behavior & Organization*, 106: 402–12, doi: [10.1016/j.jebo.2014.06.013](https://doi.org/10.1016/j.jebo.2014.06.013).

- Kelly, K. (1998) *Effective Fund-Raising Management*, Mahwah, NJ: Lawrence Erlbaum Associates.
- Kim, S., Gupta, S. and Lee, C. (2021) Managing members, donors, and member-donors for effective nonprofit fundraising, *Journal of Marketing*, 85(3): 220–39, doi: [10.1177/0022242921994587](https://doi.org/10.1177/0022242921994587).
- Management Centre (nd) The Boston Matrix, <https://www.managementcentre.co.uk/fundraising/the-boston-matrix-in-fundraising/>.
- McDonald, K., Scaife, W. and Smyllie, S. (2011) Give and take in major gift relationships, *Australian Journal of Social Issues*, 46(2), doi: [10.1002/j.1839-4655.2011.tb00212.x](https://doi.org/10.1002/j.1839-4655.2011.tb00212.x).
- NCVO (National Council for Voluntary Organisations) (2021) UK Civil Society Almanac 2021, <https://www.ncvo.org.uk/news-and-insights/news-index/uk-civil-society-almanac-2021/about/#/>.
- Payton, R.L. (1996) Introduction, in J. Schnneewind (ed) *Giving: Western Ideas of Philanthropy*, Bloomington, IN: Indiana University Press.
- Pharoah, C. (2016) What motivates people to give their own private resources for the public good?, in T. Jung, S. Phillips and J. Harrow (eds) *The Routledge Companion to Philanthropy*, Abingdon: Routledge.
- Pharoah, C. (2019) Charity Financials: Top 100 Fundraisers Spotlight, Annual Report April 2019, https://spotlight.wilmingtononline.co.uk/docs/papers/charity-top-100-fundraisers-spotlight-report-april-2019.pdf_754.pdf.
- Sargeant, A. and George, J. (2021) *Fundraising Management: Analysis, Planning and Practice*, Abingdon: Routledge.
- Sargeant, A. and Woodliffe, L. (2007) Building donor loyalty: the antecedents and role of commitment in the context of charity giving, *Journal of Nonprofit & Public Sector Marketing*, 18(2), doi: [10.1300/J054v18n02_03](https://doi.org/10.1300/J054v18n02_03).
- Schervish, P. and Havens, J. (1997) Social participation and charitable giving: a multivariate analysis, *Voluntas: International Journal of Voluntary and Nonprofit Organizations*, 8(3): 235–60, <http://www.jstor.org/stable/27927571>. doi: [10.1007/BF02354199](https://doi.org/10.1007/BF02354199)
- Waters, R.D. (2009) Measuring stewardship in public relations: a test exploring impact on the fundraising relationship, *Public Relations Review*, 35(2): 113–19, doi: [10.1016/j.pubrev.2009.01.012](https://doi.org/10.1016/j.pubrev.2009.01.012).
- Wiepking, P. and Heijnen, M. (2011) The giving standard: conditional cooperation in the case of charitable giving, *International Journal of Nonprofit and Voluntary Sector Marketing*, 16(1): 13–22, doi: [10.1002/nvsm.391](https://doi.org/10.1002/nvsm.391).
- Wilmoth, D. (1990) Gaining leverage with donors: the giving club policy, *Review of Higher Education*, 13(4): 489–502, <https://eric.ed.gov/?id=EJ413471>. doi: [10.1353/rhe.1990.0010](https://doi.org/10.1353/rhe.1990.0010)