
Building a New Tradition of LGBT Philanthropy

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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.

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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.

About 5% of LGBT people living in the San Francisco Bay Area donated to any of the national and regional LGBT organizations surveyed.

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.

While high-profile bequests receive wide visibility, the greater impact may come through sheer numbers of LGBT donors making planned gifts.

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.

Acknowledgements

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- Robert H. Martin, a strategy and planning consultant for nonprofit organizations and foundations, who helped conceptualize and facilitated the focus group component of the project, and who drafted Part 2 of this report.
- Community Marketing, Inc., who generously provided access to their panel of LGBT households to recruit difficult-to-reach focus group participants.
- Scott Benbow, who helped draft Part 1 of this report.

The Purpose of Horizons Foundation’s Research

Horizons Foundation’s research on LGBT giving is designed to help the LGBT movement and LGBT community begin to understand how to increase the resources available to LGBT organizations by broadening the base of individual donors.

Part 1 of this report provides detailed information from recent fiscal years on individual donations to LGBT and HIV organizations in the San Francisco Bay Area, including annual giving and planned giving. Part 2 began in partnership with many of these same LGBT and HIV nonprofits, which distributed an extensive online survey created by our researchers to current LGBT donors. Unless otherwise labeled, charts and tables in this report draw from data produced by this survey. Researchers then followed up with four focus groups, conducted with a total of 24 men and women. Part 3 suggests initial strategies the LGBT community can pursue to realize more of our community’s untapped giving potential.

Money is never sufficient in itself to build a powerful movement or strong, stable organizations—but it is absolutely necessary.

Taken together, this information will help Horizons Foundation, community organizations, and donors assess—and access—the potential for LGBT philanthropy in the Bay Area. The report offers both strategies for developing LGBT giving and baselines against which to measure change over time. And while the data are specific to the Bay Area, Horizons’ hope is that the report’s findings also offer valuable information for funders, organizations, and donors in other parts of the United States.

Building a New Tradition of LGBT Philanthropy represents some of the most extensive information ever gathered on the subject of LGBT giving, yet it is clearly only a beginning. Many questions remain. As the LGBT community moves forward, continued research will be vital to addressing new issues and assessing the community’s progress.

A Note on Terminology

For the sake of brevity, the qualifiers “community,” “Bay Area,” and “individual members” do not always appear in the text. Whenever this report discusses LGBT donors, LGBT individuals, and the LGBT community, it is discussing members of that community in the San Francisco Bay Area.

Part 1:
LGBT Giving to
LGBT Organizations

I. Introduction

Every day, hundreds of organizations provide crucial services, support, and advocacy for members of the San Francisco Bay Area LGBT community. Yet a chronic lack of funding severely limits the impact of their programs, hampers their ability to recruit and retain excellent staff, and sharply diminishes their investments in even basic infrastructure and systems. Ironically, lack of funding itself serves to weaken professional development efforts, which, predictably, then fail to support donors appropriately. Even in relatively strong economic times like the past few years, the fragility of LGBT organizations is such that many have been forced to cut back vital programs or shut down altogether.

This challenge is neither new nor temporary. It takes nothing away from the remarkable progress made over the past few decades to recognize how much more the LGBT community could achieve with greater capital, and to face squarely the challenges that remain in building a strong, sustainable community infrastructure and a powerful, enduring movement to win and protect LGBT people's rights to live, work, and love. The heart of the challenge lies in developing the resources that allow those organizations to focus on serving and advocating, rather than struggling to make payroll or pay the electric bill.

The Role of Individual Giving

Individual giving is critical to these community organizations' success. Most obviously, such gifts form an important part of their revenue, particularly the unrestricted revenue needed to operate day in and day out. Government and institutional funders, such as foundations and corporations, while important, invariably have numerous funding priorities and cannot be expected to be the financial bedrock of LGBT organizations.⁵

The importance of individual giving extends beyond the dollars alone. Giving is one indicator of the strength of a community, of the sense of connectedness and purpose that joins people. In the case of the LGBT community, the number of givers is a vital sign of how many LGBT people are actively participating in building a lasting movement for equal rights and dignity, and to ensuring that LGBT people are able to lead healthy, fulfilling lives.⁶

From the beginning, the generosity of LGBT individuals has fueled the movement and built LGBT organizations. With all of today's challenges, individual giving is more important than ever before.

⁵ According to *Giving USA*, foundation funding amounted to 12.4% of total charitable giving in 2006. Corporate philanthropy accounted for 4.2%. Especially for health and human service organizations, government funding is often the largest single source of support; however, the highly specific nature of government funding rarely covers the true cost of providing services. Individual annual giving—which accounted for 75.6% of charitable giving in 2006—is critical to filling the resulting gap.

⁶ Volunteering is another important means through which LGBT people contribute to the LGBT community, but it is outside the scope of this report.

Building a New Tradition

Because the LGBT movement is still relatively young, it does not yet have established philanthropic traditions.⁷ There are no meaningful community norms or expectations. Moreover, given the relative fragility of almost all movement and community groups, LGBT nonprofits typically lack the kind of top-rank fundraising operations that gain and keep a donor's confidence.

Given these factors, the levels of community giving can be seen as remarkable. Certainly the community has shown itself capable of enormous compassion and generosity, both of which were dramatically underscored by the response to HIV/AIDS. The community has also responded to urgent, time-limited campaigns, such as anti-LGBT ballot initiatives. But, as the data in this report demonstrate, there remains a tremendous amount of work to do—with equally tremendous promise for the LGBT community today and far into the future.

II. Methodology

Horizons Foundation submitted survey questionnaires to national LGBT organizations and regional LGBT and HIV organizations requesting data about annual giving, major-donor giving, and planned giving. The result is a broad data set comprising 39 organizations, including seven national or statewide LGBT organizations, 21 regional LGBT organizations, and 11 regional HIV organizations.⁸

Because this research focuses on LGBT giving in the Bay Area, national and statewide LGBT organizations were asked to provide data about *only* their Bay Area donors. Similarly, HIV organizations were asked to estimate the percentage of their individual donors who are LGBT, as some organizations have successfully expanded their donor bases well beyond the LGBT community.⁹

Two important caveats are in order. First, this report is *not* a study of *all* charitable giving by LGBT people.¹⁰ The report's sole focus falls on LGBT giving to LGBT organizations, and does not attempt to account for the generosity of LGBT people to the myriad other causes to which they give. Second, the information in this section is not a complete study of all

⁷ One indicator of the lack of such traditions appears in the very high donor attrition rates that LGBT organizations experience. According to research done by the Movement Advancement Project, leading LGBT organizations recorded attrition rates averaging 56% between 2004 and 2005. *2006 LGBT Movement Financial & Operating Overview*, Movement Advancement Project, September 28, 2006.

⁸ The survey was distributed to 48 organizations, with follow-up calls placed to those that did not initially respond. Thirty-nine organizations submitted data—a response rate of more than 80%. The research was led by Karin Martin, doctoral candidate at the Goldman School of Public Policy at UC Berkeley. Appendix A contains the list of participating organizations and Appendix B contains the organizational survey questionnaire.

⁹ The data for HIV organizations included here represent the estimated LGBT donor population as reported by each organization. For example, if an HIV organization with 1,000 donors estimated 50% of its donors to be LGBT, then the report counts 500 LGBT donors to the organization.

¹⁰ Please see Appendix D for further discussion of the methodology, including some of its limitations.

LGBT giving to LGBT organizations. Most obviously, there are, of course, more than 39 LGBT organizations working in the Bay Area. Nonetheless, given that the great majority of larger organizations were included, and that countervailing research factors may have led to an *overestimate* of giving, this survey provides a broadly accurate picture of charitable giving to LGBT organizations by the Bay Area LGBT community.

III. Context: Bay Area LGBT Population

Precise data on the size of the Bay Area LGBT population are not available. Nevertheless, an informed estimate is essential to provide a context for the data on giving by LGBT individuals to LGBT organizations. Table 1 shows the estimated size of the adult Bay Area LGBT population, based primarily on the work of Gary Gates,¹¹ a leading researcher in the field, who based his conclusions on the 2000 Census¹² and the 2005 American Community Survey (ACS).¹³

The survey results in the rest of this report are based on this estimate of 432,174 adult LGBT people in the Bay Area.

Table 1. Estimate of the Adult LGBT Population in the Bay Area

Geographic Area	Total Population	% LGB	LGBT Population
San Francisco – Oakland – Fremont Metro Area	3,125,768	8.2%	262,313
San Jose – Sunnyvale – Santa Clara Metro Area	1,278,820	5.0%	63,941
Napa (U.S. Congressional District 1)	132,764	5.9%	7,833
Marin and Sonoma (U.S. Congressional District 6)	472,467	7.5%	35,435
Solano (U.S. Congressional District 7)	411,593	3.6%	14,817
Contra Costa (U.S. Congressional District 10)	1,017,787	4.7%	47,835
TOTAL	6,439,199	–	432,174

¹¹ Gates, Gary J. *Same-sex Couples and the Gay, Lesbian, Bisexual Population: New Estimates from the American Community Survey*, The Williams Institute on Sexual Orientation Law and Public Policy, UCLA School of Law, October 2006.

¹² The 2000 Census defines the San Francisco Bay Area more broadly than this survey. For more information on Census data, visit <http://www.bayareacensus.ca.gov/bayarea.htm>

¹³ The study by Gates does not include data on the transgender population because this information was not collected in the Census or ACS. To address this in part, we have added 6,000 to the LGB population for San Francisco, based on the estimate of the transgender population in a report by the San Francisco Human Rights Commission. It is highly likely that our estimate undercounts the transgender population for the entire Bay Area. *Investigation into Discrimination Against Transgendered People*, San Francisco Human Rights Commission, 1994.

IV. Key Findings: Annual Giving

Annual giving provides financial support for an organization’s current work. The data self-reported by the 39 organizations on annual giving during their most recent fiscal years are shown in Figure 1 and Table 2.

Figure 1. Percentage of LGBT people giving to LGBT and HIV organizations

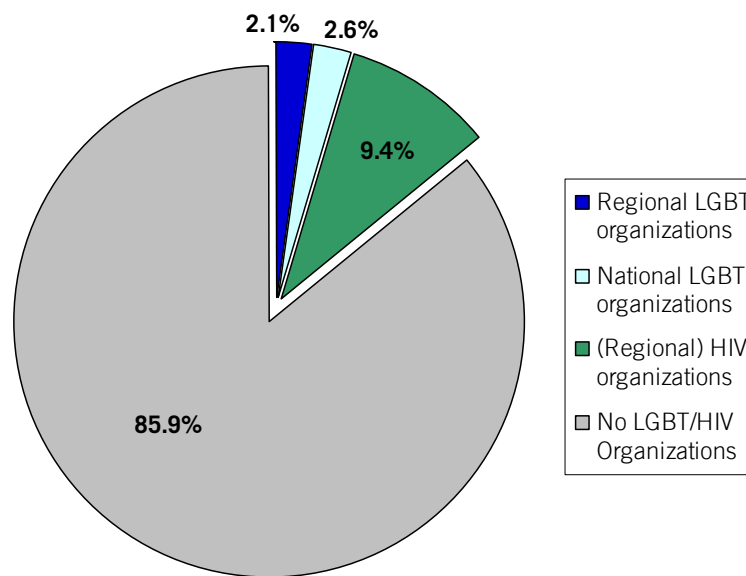


Table 2. Total annual giving to 39 organizations surveyed (previous fiscal year)

Organizations	Number of LGBT Donors	Total Individual Donations	Giving Per Bay Area LGBT Individual
Regional LGBT	9,103	\$3,263,265	\$7.55
National LGBT	11,035	\$4,839,338	\$11.20
<i>Subtotal (All LGBT)</i>	<i>20,138</i>	<i>\$8,102,603</i>	<i>\$18.75</i>
(Regional) HIV	40,743	\$5,800,448	\$13.42
TOTAL	60,881	\$13,903,051	\$32.17

Approximately 20,000 Bay Area LGBT individuals made donations at all levels of giving to the LGBT organizations in the survey—in other words, about one in 21 members of the LGBT community in the Bay Area made a donation to one of the 28 regional or national LGBT organizations surveyed.¹⁴ The combined contributions only totaled about \$8 million in the previous fiscal year.

¹⁴ Because Horizons Foundation did not collect donor names, the data were not “de-duplicated” and almost certainly overestimate the total number of LGBT donors. The total percentage giving to LGBT organizations (local/regional and national) is slightly higher at 4.7% than the estimate arrived at by the Movement Advancement Project in its survey of 48 mostly national organizations. Also using data that were not de-

When data from the HIV organizations are added in, as many as one in seven LGBT people made a donation to one of the 39 LGBT and HIV organizations surveyed, reaching almost \$14 million. Regional HIV organizations succeeded in attracting the highest number of LGBT donors and the most total dollars.¹⁵

Across the total Bay Area LGBT population (which includes non-donors to the organizations surveyed), annual giving averaged slightly more than \$32 per person to the LGBT and HIV organizations in this study.

The following sections look in more detail at giving to each of the organizational categories: local/regional LGBT, national/statewide LGBT, and regional HIV organizations. Each of these plays a vital and distinct role in our community and warrants more detailed consideration.

Local and Regional LGBT Organizations

The 21 participating Bay Area LGBT organizations focus on a wide variety of issues and serve LGBT communities across the region, from San Jose to San Anselmo, and from San Francisco to Contra Costa.

Table 3. Giving to local and regional LGBT organizations (previous fiscal year)

	Total	Relative to Bay Area LGBT Population
Number of LGBT Donors	9,103	2.1% (one in 47)
Total Individual Donations	\$3,263,265	\$7.55 donated per individual

Combining the giving totals for the LGBT organizations participating, and assuming for the purposes of this study that each donor is unique, the survey revealed that 9,103 individuals had made donations to these groups in the previous fiscal year (Table 3). This represents one in 47 LGBT individuals (2.1%) in the Bay Area, giving an average of \$358.

Across the total Bay Area LGBT population (both donors and non-donors), annual giving to local/regional LGBT organizations averaged \$7.55 per LGBT individual.

National and Statewide LGBT Organizations

Seven LGBT organizations with significant statewide or national presences provided data to Horizons Foundation. These organizations tend to have relatively higher visibility from advertising campaigns, attention in the media, and larger-scale direct-mail campaigns. They

duplicated, MAP found about 4% of LGBT people giving \$35 or more to these organizations. Movement Advancement Project, *2007 LGBT Movement Financial and Operating Overview*.

¹⁵ As mentioned above, the researchers asked HIV organizations to estimate the percentage of their individual donors who are LGBT, as some organizations have successfully expanded their donor bases well beyond the LGBT community. The data for HIV organizations shown here represent the estimated LGBT donor population as reported by each organization, and should not be interpreted as precise.

also play essential roles in winning, protecting, and extending the rights of LGBT people at the national and state levels, which, of course, affect the lives of LGBT people in the Bay Area quite directly. The organizations were asked to provide data on their Bay Area donors only.

Table 4. Giving to national and statewide LGBT organizations (previous fiscal year)

	Total	Relative to Bay Area LGBT Population
Number of LGBT Donors, Bay Area	11,035	2.6% (one in 39)
Total Individual Donations, Bay Area	\$4,839,338	\$11.20 donated per individual

With 11,035 individuals making gifts totaling over \$4.8 million (Table 4), the average gift was \$439. Relative to local/regional groups, national organizations also had significantly higher averages both for donors per organization and total donations. In total, approximately one in 39 Bay Area LGBT individuals made a gift to a statewide or national LGBT organization. Across the total Bay Area LGBT population (both donors and non-donors), annual giving to national/statewide LGBT organizations averaged \$11.20 per LGBT individual.

Regional HIV Organizations

Horizons Foundation’s primary focus in this research is on giving by LGBT donors to LGBT organizations. However, because many people attach giving to HIV organizations as supporting the LGBT community—indeed, many LGBT donors put HIV issues at the center of their giving—the survey included 11 larger regional HIV organizations. Given the continuing impact of HIV on the Bay Area’s LGBT community, these organizations do a great deal to protect and enrich the lives of LGBT people in the Bay Area.

The survey data for HIV organizations are based on each organization’s approximate number of LGBT donors *only*. These groups’ *total* donors and funds raised are significantly higher than the numbers in Table 5.

Table 5. Giving to regional HIV organizations (previous fiscal year)

	Total	Relative to Bay Area LGBT Population
Number of LGBT Donors	40,743	9.4% (one in 11)
Total Individual Donations	\$5,800,448	\$13.42 donated per individual

Approximately one in 11 Bay Area LGBT individuals had made a donation to a regional HIV organization during the previous fiscal year. While such organizations have significantly more individual donors than the LGBT organizations surveyed, the per-donor average is much lower—\$142 per individual. Both the large number of gifts and the smaller average donation size stem largely from the fact that the data include donations in support of participants in major public events, such as the AIDS Lifecycle and AIDS Walk.

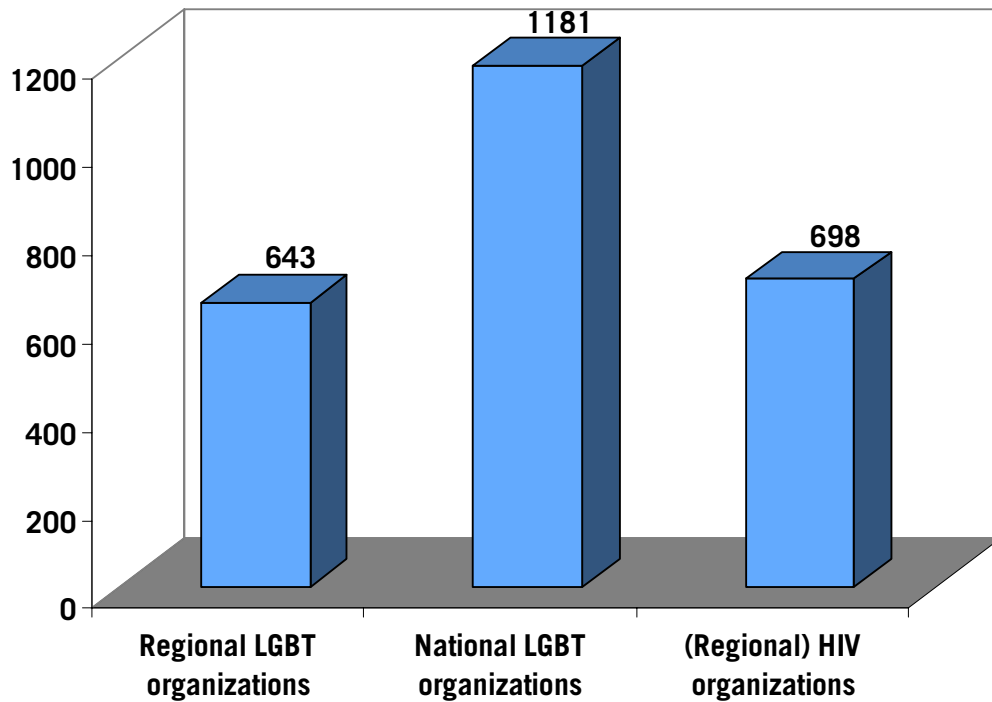
Across the total Bay Area LGBT population (both donors and non-donors), annual giving to regional HIV organizations averaged \$13.42 per LGBT individual.

Major Donors

Major-donor gifts are crucial to community organizations beyond simply the benefit of receiving large donations.¹⁶ Fundraising from major donors can be more efficient for organizations, as the cost and effort expended to obtain major gifts are generally much lower than they are for obtaining an equivalent sum from many smaller donations. In addition, major gifts establish peer leadership among donors: a gift from a major donor can act as a catalyst as other potential donors look to their peers for leadership in gift-giving decisions.

The number of major donors to the 39 regional and national organizations surveyed is shown in Figure 2.

Figure 2. Total number of major donors to LGBT and HIV organizations in the San Francisco Bay Area



The organizations reported 2,522 donations from major donors: 643 to regional LGBT organizations, 1,181 to national LGBT organizations, and 698 to HIV organizations. Based on the total Bay Area LGBT population (both donors and non-donors), about one out of 171 LGBT individuals were major donors to any of these nonprofits (0.58%). The actual

¹⁶ Major donors in this report are defined as individuals who have contributed at least \$1,000 to one or more LGBT organizations during the year. Individuals who contributed more than \$1,000 and distributed their gifts to different organizations are not considered major donors for the purposes of this report unless they gave at least \$1,000 to at least one of the organizations surveyed.

percentage is likely smaller because the survey did not account for donors making major gifts to more than one organization.¹⁷

National LGBT organizations had the highest proportion of their donors making major gifts (approximately 11%), and they received nearly twice as many major-donor gifts as either regional LGBT or regional HIV organizations.

V. Key Findings: Planned Giving

Most often, a planned gift is a donation (or promise to donate) to a nonprofit from an individual's estate.¹⁸ The gift may be a specific dollar amount, percentage, piece of property, or remainder interest (an amount left over after other specific gifts have been made). Because planned giving includes donations from an individual's total wealth, rather than annual income alone, donors can often make considerably larger gifts through planned giving.

Over the next two to three decades, economists predict an enormous intergenerational transfer of wealth in the United States¹⁹ as the “baby boomers”—those born between the end of World War II and the early 1960s—approach late-middle age and make decisions about how to distribute their wealth through their estates.

Because LGBT people are much less likely than the rest of the population to have children to inherit their wealth,²⁰ many LGBT baby boomers will seek other ways to pass on their legacies. In addition, the first LGBT “post-Stonewall” generation—many of whose lives have been deeply influenced by the movement and the community—is reaching the time when millions of individuals will determine the disposition of their estates. And, in the Bay Area, the explosion of real estate values over recent years alone has created multi-billion dollar potential.²¹

The coming 15–25 years represent an unprecedented window of opportunity to secure significant resources for the future of the LGBT community through planned giving.

¹⁷ The Movement Advancement Project has analyzed major-donor data from national organizations and concluded that approximately 20% of such donors give major gifts to more than one organization.

¹⁸ Some planned gifts are in fact made during the donor's lifetime, but the great majority come through estates and most are simple bequests.

¹⁹ John J. Havens and Paul G. Schervish, “Why the \$41 Trillion Wealth Transfer Estimate Is Still Valid,” *The Journal of Gift Planning*, January 2003: 11-15, 47-50. Although estimates of this wealth transfer vary widely (as with virtually any long-term economic projection), there is no disagreement that its charitable potential dwarfs that of any prior period.

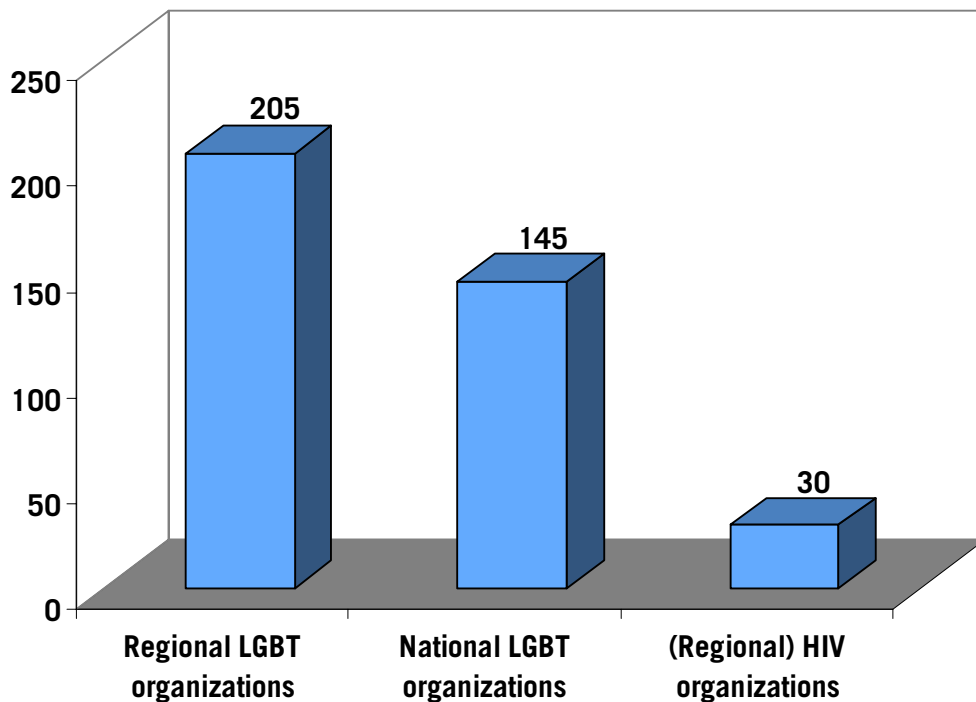
²⁰ A study of LGBT adults in the Bay Area showed that nearly 75% of LGBT people over 50 had no children, while 90% of heterosexuals did have children. Adelman, Marcy, Jeanette Gurevitch, Brian de Vries, and John A. Blando, “Community Building and Research in the LGBT Aging Population,” Openhouse, 2005. Similarly, another study found that 90% of same-sex couples in San Francisco and 78% in Oakland had no children under 18 living with them. Gates, Gary J. and Jason Ost, *The Gay and Lesbian Atlas*, Washington, DC: The Urban Institute Press, 2004.

²¹ Even if the recent downturn were to drop property values as much as 25%, the real estate equity held by LGBT people in San Francisco alone would still exceed \$6.5 billion. This highly conservative estimate is based on Census data on housing from 2000 and 2006 and average home prices in 2007, not on any assumption that

In short, the coming 15–25 years represent an unprecedented window of opportunity to secure significant resources for the future of the LGBT community. The data collected for this survey, however, suggest that the community has just begun to tap this potential (Figure 3).²² Based on the total Bay Area LGBT population (both donors and non-donors), about one out of 1,139 LGBT individuals had made planned gifts to any of these nonprofits (0.09%).

It’s important to note that these figures undoubtedly underestimate the number of future planned gifts, since many donors choose not to disclose their intentions prior to their deaths. It is common practice to assume that there are at least three planned gifts “out there” for every one revealed to the organization in advance of a donor’s death. Using this multiplier of three for estimating planned gifts, the data suggest that around one in 284 LGBT individuals in the Bay Area has made a planned gift to one or more of the 39 organizations surveyed.

Figure 3. Total number of planned gifts to LGBT and HIV organizations



It is also interesting to note that 54.0% of known planned gifts are designated for local/ regional LGBT organizations, compared to 38.2% for national organizations. This is particularly striking given that the national groups are more likely to have active planned-giving programs, and may indicate the importance some donors attach to creating legacies in their own cities or regions, rather than nationally.

the LGBT community holds greater wealth than the general population. San Francisco Multiple Listing Service, 2007 sales data for single family residences and condos (accessed on January 28, 2008).

²² Out of the total of 380 planned gifts known to the organizations at the time of the survey, 150 were designated for Horizons Foundation.

Horizons' survey also asked whether the organizations had or planned to set up planned-giving programs. The majority do not have any formalized planned giving program, and only a relative few have even moderately active programs. Given the fragile state of many organizations' overall fund development work, this is understandable, as the promise of a planned gift generally lies years in the future. Nonetheless, it illuminates how critical it is for the LGBT movement and community to move decisively to make the most of the window of opportunity now open in planned giving.

Part 2: Understanding LGBT Donors

I. Introduction

While Part 1 of this research was designed to quantify *levels* of giving, Part 2 sought to understand the *motivations* behind LGBT giving choices. Beginning with a quantitative survey of current donors and following up with a series of focus groups, researchers documented and analyzed charitable giving behaviors, attitudes, and preferences. Why do LGBT people give what they give? What inspires gifts in support of LGBT causes? What obstacles prevent some from giving to LGBT community needs? Why are some members of the community giving significantly below their capacity while others give deeply and frequently?

Although these complex questions are not all answered here, Part 2 provides insights into the most important findings emerging from the donor survey and focus groups. It also suggests strategies the LGBT community and LGBT nonprofits could pursue to realize more of the community's untapped giving potential as this relatively young movement continues to mature.

II. Methodology

Horizons Foundation used a combination of quantitative and qualitative methodologies—an online survey and a series of focus groups, respectively—to examine the motivations of LGBT donors. The former provided empirical rigor, while the latter gave researchers the opportunity to dig below the surface of the data.²³ The survey provides a substantial body of data that is statistically relevant for making generalizations about San Francisco Bay Area donors supporting LGBT causes. The focus groups, conversely, inherently involve small samples of people who have “opted in.” The focus groups were designed to offer directional insights to help shape strategy, rather than statistically generalizable conclusions about LGBT donors.

Horizons Foundation began the individual donor research in partnership with many of the same LGBT and HIV nonprofits that provided giving data for Part 1. An extensive online survey was created and distributed to current LGBT donors.²⁴ From a universe of approximately 10,000 potential respondents, 1,348 people took the anonymous survey.

Although imperfectly reflecting the full diversity of the Bay Area, respondents were diverse across a number of dimensions. For example, more than half self-identified as gay, over one-third as lesbian, and 8.3% as bisexual; 0.9% identified as transgender. A quarter came from households with income under \$75,000, and one-third from households earning more than \$150,000. Caucasians accounted for 86.2% of respondents, with the balance identifying as

²³ Karin Martin, doctoral candidate at the Goldman School of Public Policy at UC Berkeley, designed and administered the online survey, and Robert H. Martin, a strategy and planning consultant for nonprofits and foundations, designed and facilitated the focus groups.

²⁴ Appendix A contains the list of organizations that invited their donors to complete the survey, and Appendix C shows the survey questionnaire.

people of color or multiethnic.²⁵ The large and diverse survey response provides a solid base for outlining the key quantitative dimensions of LGBT giving behaviors and attitudes.

Drawing on the results of the quantitative survey, researchers developed a series of hypotheses about why LGBT people give to LGBT causes—and why sometimes they do not give, or do not give in greater amounts. Four focus groups were conducted with a total of 24 men and women,²⁶ all of whom reported significant charitable giving in the past year (averaging nearly \$5,000).²⁷ Two of the groups were giving substantially to LGBT causes (averaging close to half of their total giving), while the other two groups were giving little or nothing to LGBT causes (averaging roughly 6% of their total giving). Reflecting the importance of planned giving to the long-term growth of community assets, researchers deliberately focused on people at or near retirement age (the average age of participants was 60) and with a net worth of more than \$1 million.²⁸ Horizons chose to zero in on LGBT people who already give to nonprofits because they are easier to identify and may still offer clues to understanding non-donors as well.²⁹

III. Key Findings

Through the online donor survey and the focus groups, Horizons discovered several key findings about LGBT giving:

- 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, particularly when compared with average U.S. donors.

²⁵ Other demographic data included: slightly more than half indicated they were married or in a registered or unregistered domestic partnership; three out of four owned their homes; those who had moved to the Bay Area within the last three years accounted for 6.3% of the responses, while fully 41.9% had lived in the area for 25 or more years.

²⁶ One-third of the focus group participants were women, one-sixth were people of color, and just over half were residents of San Francisco, with the balance distributed around the North, East, and South Bay.

²⁷ Focus group participants were recruited with the generous pro bono support of Community Marketing, Inc. (CMI), a San Francisco-based market research firm. CMI has one of the most comprehensive databases of LGBT households and is a leading provider of market intelligence about LGBT consumers. CMI's database is developed, in part, through solicitations in 75 widely distributed LGBT internet and print publications. Thus, focus group recruiting drew from a universe of people who are likely consumers of LGBT media. This may, in turn, have favored participants who feel a strong identity affiliation with the LGBT community.

²⁸ Nearly half of the participants reported net worth of more than \$2.5 million, and nearly all were homeowners. It is important to note that in the Bay Area, much individual equity is tied to homeownership—for example, in 2007, the average value of single family residences and condos sold in San Francisco was \$995,770.

²⁹ The online donor survey did gather information from lapsed donors (those who had not given for more than about two years). Examining the attitudes and motivations of non-donors would add important information to the larger picture of LGBT giving, but was beyond the scope of this study.

- 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.
- Focus group participants voiced their 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. They also recognize that specific needs will change over time. 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.
- Views of LGBT organizations are tinged by uncertainty about management and effectiveness, paralleling donor skepticism about the nonprofit sector overall.
- LGBT givers have a lot in common with non-LGBT givers in terms of how they first became charitably inclined, their reasons for giving to nonprofits, and key influences.
- 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.

The following sections describe the findings in more detail.

Supporting a Wide Range of Issues

Like all donors, LGBT people give to address the full spectrum of issues (Figure 4), including social justice and civil rights, the environment, disaster relief, animal rights, seniors, youth and education, religion, the arts, and many others. This finding was consistent in both the survey and the focus groups.

The survey also found that 94.5% of LGBT donors give to more than one organization, including 73.6% who give to more than one LGBT organization. As one might expect, LGBT-specific giving was generally a subset of all giving: about 80% of donors gave to up to 12 organizations overall, but the same proportion gave to just five or fewer LGBT organizations.

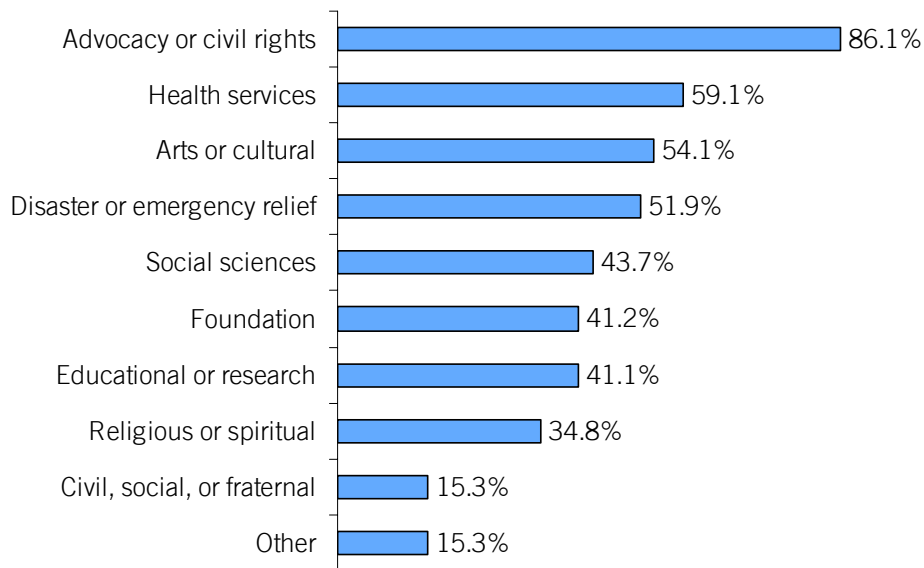
Compared with all donors in the U.S., Bay Area LGBT donors are twice as likely to give to health-related nonprofits (including those related to HIV) and four times as likely to give to the arts, but half as likely to give to religion. They are also far more likely to give to advocacy organizations: 86.1% of the online survey participants reported

In comparison with all U.S. donors, Bay Area LGBT donors are twice as likely to give to health-related nonprofits and nearly four times as likely to give to the arts—but half as likely to give to religion.

Sources: Horizons donor survey; Center on Philanthropy, *Giving USA*, 2006

giving to advocacy or civil rights causes. By comparison, U.S. donors overall devote roughly 2% of their giving to advocacy.³⁰

Figure 4. Percentage of LGBT donors who report giving to different types of organizations



Beyond issues of discrimination and the continuing struggle for full acceptance, LGBT people recognize a wide range of pressing issues that are either specific to the LGBT community or will impact us. The concerns cited most by focus group participants include AIDS, aging (ageism within the LGBT community as well as anti-LGBT bias within the senior services sector), marriage equality, and LGBT youth. Several noted environmental crisis as something that threatens humans' very existence and should be as important to LGBT people as everyone else. Several also argued that AIDS is no longer a "gay issue," but a worldwide health and social justice issue. Most of the women who participated in the focus groups cited the need to give to lesbian and women's issues because there is relatively less support for these causes. "Outside AIDS, my support goes to gender-specific female issues," said one woman. "I'll do Susan B. Komen over LGBT [for example]...because I think there's less money accessed for women than for LGBT, which is majority male."

Horizons Foundation's research does not attempt to measure total giving by LGBT households, and nothing suggests that LGBT people are any less generous than the 67% of Americans overall who give to nonprofits.³¹ In fact, data from Community Marketing, Inc., a leading market research firm on LGBT consumers, suggest that up to 95% of LGBT people give to one or more charitable organizations.³² The challenge lies in discovering what would

³⁰ *Creating Communities: Giving and Volunteering by Gay, Lesbian, Bisexual, and Transgender People*, Institute for Gay and Lesbian Strategic Studies, February 1998.

³¹ According to *Giving USA 2006*, the Center on Philanthropy found that 67% of Americans made one or more gifts to charitable organizations in 2002. http://www.philanthropy.iupui.edu/Research/COPPS/COPPS_2006.aspx

³² Community Marketing, Inc., *Gay and Lesbian Consumer Index*, 2007.

motivate the other LGBT givers who don't donate to LGBT organizations to join the 5% who do.

Reasons for Giving

Survey participants cited multiple factors in their decisions to give, both to nonprofits generally (Figure 5) and to LGBT organizations specifically (Figure 6). Several key reasons will be explored in more detail below, but a few are worth highlighting here.

For the overwhelming majority of donors, organizational effectiveness and efficiency ranked high in their giving decisions to all nonprofits: 92.8% felt it was important or very important that an organization “is professional and well-run,” 91.6% that it “has a reputation for spending money wisely,” and 89.5% that they “respect and trust the organization’s leadership.” A tax deduction was only important to about half of donors.

Personal contact with an organization also emerged as a factor in giving: 39.4% cited “I or someone I know benefits from the organization’s work” as playing an important role in their giving, and 25.8% cited knowing someone associated with the organization. An additional 21.9% felt their volunteer work with a nonprofit also served as an impetus to make financial contributions to the group.

Figure 5. Reasons for giving – all nonprofits
(% of donors saying "Important" or "Very Important")

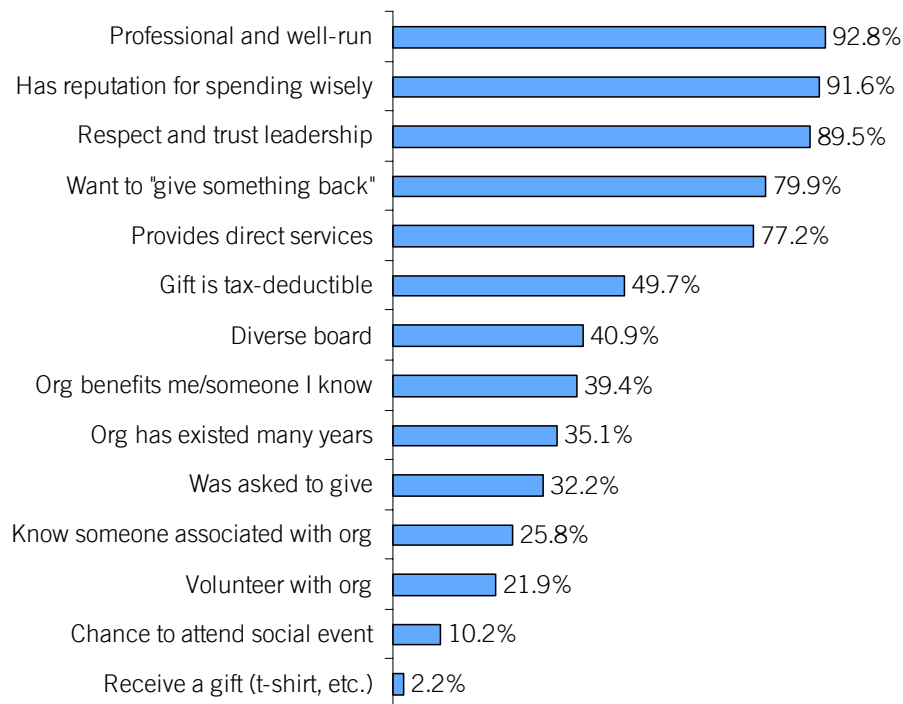
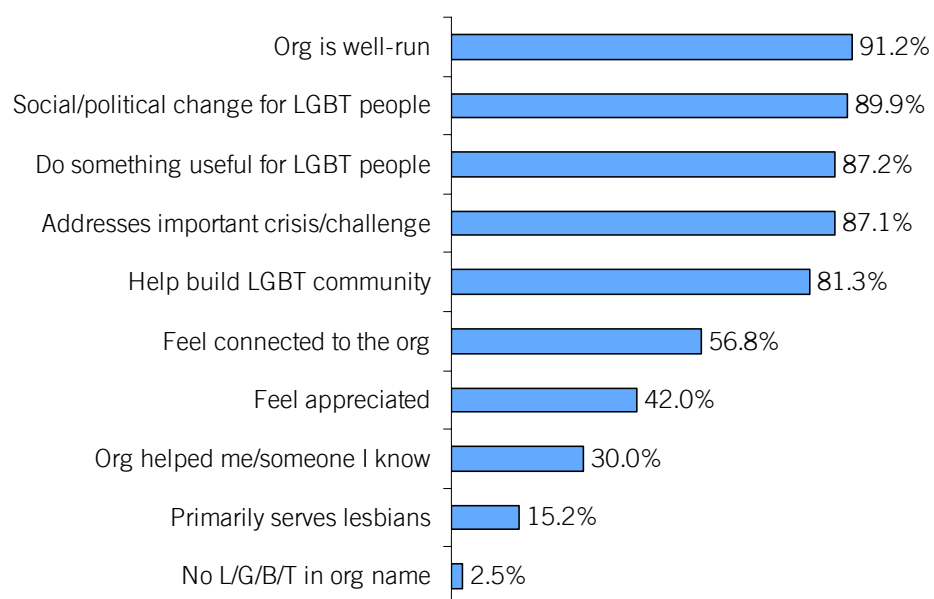


Figure 6. Reasons for giving – LGBT nonprofits
(% of donors saying "Important" or "Very Important")



Among donors to LGBT organizations, 89.9% gave to LGBT nonprofits to “contribute to social and political change for LGBT people.” Given the large percentage of LGBT donors who give to advocacy and civil rights causes compared to the general U.S. population, it makes sense that support for LGBT rights figures strongly in their LGBT giving. In addition, 81.3% felt that giving was an important way to “participate in and/or help build the LGBT community.” This result speaks to LGBT people’s sense of connection with each other and with their own identities, as well as a sense of continuity that is quite strong for this young movement.

A Sense of Responsibility, Yet Inconsistent Giving

All of the focus group participants—including those whose LGBT giving accounts for little of their total philanthropy—spoke of the importance of giving to LGBT organizations, and of their own commitment to doing so. “If the LGBT community doesn’t support itself,” explained one woman, “no one else will.” Any sense of community responsibility, however, is nuanced: “There’s a duty, but not an obligation,” noted one man. “I should and do support LGBT causes,” added another man, “but it’s peripheral, not the primary reason I give.”

Several clues emerged from the focus groups about why LGBT people do not give more to LGBT organizations. Notably, LGBT donors believe their peers are giving more than they actually are, and they believe their own giving skews to LGBT causes more than it does when they delineate their charitable histories with hard numbers. When asked to guess what percentage of the LGBT community gives to LGBT causes, exclusive of HIV causes, participants almost universally overestimate by a factor of 10. “I bet it’s much lower than you would think,” said one typical participant, who went on to guess that “only 50%” of LGBT people were giving. (The actual number, discussed earlier in this report, is closer to

5%.) This pervasive overestimate may lead some LGBT people to feel their individual donations are not important to the success of LGBT organizations.

One fundraising challenge unearthed in the focus groups is that a large portion of LGBT people do not consciously think about their giving in an LGBT/non-LGBT framework.

Many participants said they don't think about how much of their giving goes to LGBT causes. "If a charity is LGBT I will look at it," explained one participant, "but it doesn't have to be LGBT. That's not a filter I use." For some, this may reflect a lack of an overall strategic approach to their philanthropy. Others see all of their giving as interrelated rather than compartmentalized into discrete funding categories. "I don't put my giving in buckets," said one man. "You need to be part of the mainstream—being part of other [non-LGBT] organizations advances us." Whatever the reason, the lack of a framework for thinking about LGBT-specific giving may help explain why even those who give a relatively small percentage of their charitable dollars to LGBT causes tend not to recognize this fact.

A large portion of LGBT people do not consciously think about their giving in terms of LGBT or non-LGBT. This poses a challenge for increasing resources for LGBT causes.

Donors Know LGBT Causes are Important, but Need More Information

If there is an obstacle preventing some people from giving more to LGBT causes, it's not a lack of urgency. All of the donors who participated in the focus groups identified LGBT issues as important—including those who are allocating relatively small proportions of their overall giving to LGBT causes. This matches the survey findings, in which only 7.8% of respondents signaled moderate or strong agreement with the statement "I don't think the LGBT community's needs are that great compared to other causes."

Indeed, the focus group participants overwhelmingly agreed that LGBT needs will not diminish or disappear any time soon. There was a sense that issues may change over time, but without exception, participants believed that distinct needs will always exist within the many segments of the LGBT community. "We will always be used as a divisive measure for the Religious Right," noted one focus group member. Another agreed, "[It's not that] discrimination doesn't go away because it can't go away, but because there are groups that use it to divide."

Because the research primarily focused on donors, it's possible that some non-donors don't give to LGBT organizations because they don't share the same sense of urgency and importance about LGBT issues.

LGBT Donors Remain Connected

Every focus group participant—all in their 50s and 60s—affirmed a deep and continuing affiliation with the LGBT community and LGBT concerns.³³ Even as many have moved

³³ Because focus group recruiting drew from a universe of people who are likely consumers of LGBT media, this may have favored participants who feel a strong identity affiliation with the LGBT community.

farther from the urban gay district and are enjoying freedoms they could only dream about when first coming out, LGBT people remain “connected” in a way that is central to their identities. Many have integrated in the mainstream and experience growing acceptance as openly LGBT people within other communities of identity or affinity, including their extended families, ethnic communities, sporting or professional associations, and houses of worship. Yet LGBT identity remains vital, and many people see their non-LGBT giving as a way of asserting an LGBT presence in the mainstream.

An Informational Balancing Act

A general sense of urgency exists, but the disconnect for some LGBT donors comes because they don’t have enough information about where to give. For nearly half of LGBT donors surveyed, not knowing enough about “what different organizations there are and what they’re doing” contributed at least “somewhat” to why donors don’t give more to LGBT causes.

Participants in the focus groups recognized the catch-22 that many organizations struggle with: prospects are annoyed by the ceaseless bombardment of solicitations, yet they want meaningful information in order to make good decisions about their giving. The influence donors cited most often was direct exposure to an organization doing valuable work. “When I watch the news and see [nonprofits] help people, like the Red Cross, then I tend to give,” explained one man. The importance of direct exposure may also be reflected in survey results showing a correlation (but not necessarily causality) between volunteering and giving: among LGBT donors, those who volunteer regularly—and see the work of an organization firsthand—also give to a greater number of LGBT groups.

Nearly half of LGBT donors felt that not knowing enough about LGBT organizations’ work kept them from giving more.

As many fundraisers already know, the ability to overcome donors’ information overload and demonstrate results may be an organization’s most important challenge.

“Important” Work and “Good” Work

Even while supporting a wide range of causes, LGBT donors tend to lean toward one of two general orientations in their giving: political/social activist (“important” work) or direct benefit (“good” work).

Advocacy-Oriented Donors

Politically oriented givers are deliberate and motivated by a desire for long-term societal change. Focus group participants named a variety of national and local organizations devoted to advancing progressive agendas and leveraging change for a better future, both for the LGBT community and for society as a whole.³⁴ “My giving comes from being a political

³⁴ Examples include the ACLU, Amnesty International, Lambda Legal, National Center for Lesbian Rights, National Gay and Lesbian Task Force, People for the American Way, PFLAG, Planned Parenthood, San Francisco Women’s Building, Southern Poverty Law Center, and Tides Foundation.

activist since the 60s,” noted one focus group participant. Another stated, “My giving is more for policy change and political action rather than direct services.”

The survey results align with the focus group finding. As mentioned earlier, among donors actively supporting LGBT organizations, an exceptionally high number—86.1%—reported giving to advocacy or civil rights causes. Also, more LGBT donors support national LGBT groups—all focused on policy matters—than organizations working locally or regionally. When asked why they give to LGBT causes, 89.9% indicated “I want to contribute to social and political change for LGBT people” as important or very important. This confirms that donors to LGBT organizations tend to have a strong orientation toward policy and civil rights causes.

Direct-Benefit Donors

Direct-benefit donors want to have an impact on the lives of real people or see a tangible outcome today. They also express a more local orientation, often talking of friends who have benefited or of their own personal benefits from a nonprofit.³⁵ “These are real people to me,” explained one focus group participant. “I feel strongly that if ordinary folk can be helped in simple ways, it will have incredible repercussions,” said another. A third stated, “I have a close personal connection with everything I support. I love art, but I only give to the art school, not the general fund of the museum.”

Of course, many LGBT donors support both “good” work and “important” work—or see them as deeply intertwined. “Planned Parenthood—it is political, but it’s definitely real people to me,” noted one man.

A Lens for Understanding Core Motivations

Although this framework is by no means rigid, it does provide a lens for understanding the core motivations of LGBT donors—the main difference between those who support LGBT causes and those who primarily support non-LGBT causes is that the political/activist orientation appears to be more common among those who give to LGBT issues.³⁶

At the same time, the prevalence of LGBT giving for advocacy does not definitively mean that LGBT people as a group have more of an advocacy orientation than other people. It does appear, though, that LGBT advocacy organizations have had greater success engaging LGBT donors. Given that LGBT people are still working to achieve basic equality, this is not surprising. Yet the findings reported in Part 1 shows that LGBT donors who demonstrate a clear interest in advocacy represent at most 5% of the total LGBT adult

³⁵ Donors in the focus groups cited as examples organizations such as Coming Home Hospice, Glide Church (which has substantial services for the poor), Lavender Seniors, Lyon-Martin Health Services, Project Open Hand, San Francisco Food Bank, Shanti, battered women’s shelters, disease-specific causes (such as breast cancer), as well as arts and educational groups such as California Academy of Sciences, Frameline, the symphony, and museums.

³⁶ Giving data from the focus group participants also suggested that an advocacy orientation correlates generally with wealth levels: the more money people had, the more likely they were to give to policy-influencing causes (often in addition to direct-service causes), *and* the more likely they were to allocate a higher portion of their giving to LGBT groups.

population. One reason LGBT groups may be struggling to engage the other 95% of the LGBT population could be that many of these people lean more towards “good” work than “important” work.

Even among current donors (the roughly 5% who are giving to LGBT organizations today), there is a great deal of concern about helping people in need (while not diminishing the importance of policy-related work). More than half of survey respondents said they are motivated to give because “I want to do something useful for LGBT people,” and 46.9% indicated they want to “provide direct services for people in need.” The desire to contribute is also reflected in statistics on volunteering: two-thirds of LGBT donors volunteer regularly, compared with one-quarter of the total U.S. population, and LGBT volunteers devote roughly twice as much time as the average volunteer.³⁷

Two-thirds of LGBT donors volunteer regularly, compared with one-quarter of the total U.S. population, and LGBT volunteers devote roughly twice as much time to this work as the average volunteer.

Sources: Horizons donor survey; U.S. Department of Labor, 2007

Organizational Effectiveness is Essential

As with all donors, LGBT givers want to know their donations are being used well. Knowing that an organization is “professional and well-run” and “has a reputation for spending money wisely” are the top two criteria supporters of LGBT causes use when deciding on a gift, whether to an LGBT or non-LGBT organization.

Asked why they don’t give more to LGBT causes (Figure 7), 41.3% of respondents cited “concern about how well-managed LGBT organizations are”—second in importance only to “I can’t afford to give more.” More than a quarter said they don’t have confidence their additional donations would be used wisely. These findings prompted further exploration in the focus groups: is there a perception that LGBT nonprofits are less efficient or less well-run compared to non-LGBT organizations?

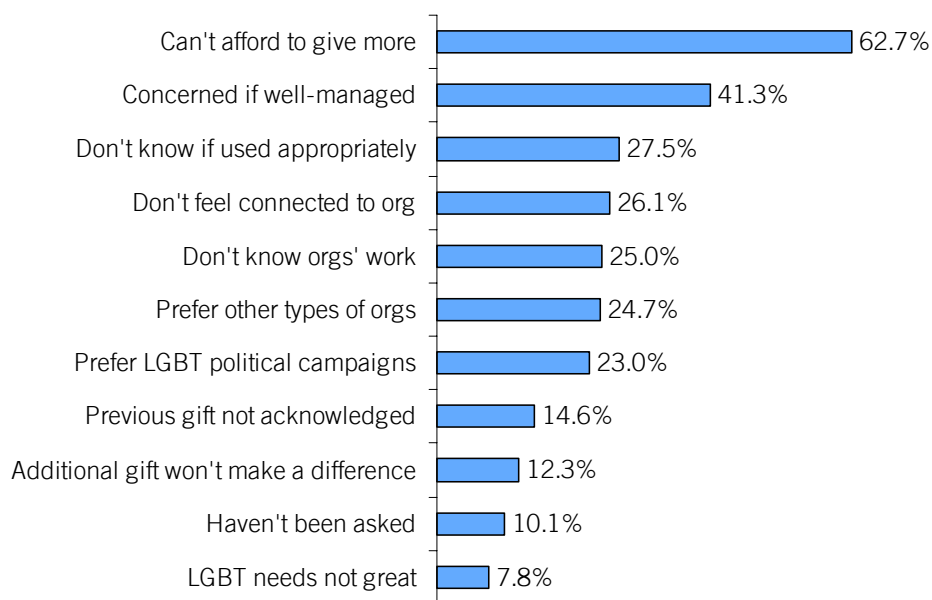
The focus groups confirmed that LGBT donors are concerned generally about the efficiency of *all* nonprofits, and that this concern translates into attention toward the management of LGBT organizations.³⁸ Some participants acknowledged that the LGBT nonprofit sector is relatively nascent, and that younger, smaller, grassroots organizations have unique sets of developmental issues. Yet the strong consensus was that well-established organizations are by no means immune from scandal or leadership problems, and that LGBT nonprofits are, on average, managed no better and no worse than their non-LGBT counterparts. In fact, several participants advanced the argument that LGBT organizations are more closely monitored and held accountable by the community.

Ultimately, as with any nonprofit, LGBT groups need to demonstrate managerial competence, trustworthy governance, and proven effectiveness to compete for a donor’s support.

³⁷ National volunteer statistics published by the U.S. Department of Labor, 2007.

³⁸ For example, recent data found that 62% of Americans think nonprofits spend too much on overhead. Ellison Research, *How much do Americans believe non-profit organizations spend on fundraising and overhead?* (2008).

Figure 7. Reasons for not giving more to LGBT organizations
(% of donors saying "Important" or "Very Important")



Many Key Influences Shared with Non-LGBT Donors

As is the case with donors more generally, participants from all four focus groups split roughly into two camps according to how they became charitably inclined. Half the participants learned to give growing up, either at home through the direct influence of family members or through their religious/spiritual community. The other half say they came to giving later in life: some through workplace giving, friends, or their houses of worship; others through direct exposure to nonprofits that helped them, friends, or family members in times of need. There was no pattern to connect the timing of the participants' first exposure to giving with how much they donate or what types of causes they support.

Predictably, “giving back” and “making a difference” show up as catchphrases people use to describe why they contribute to nonprofits. When pressed, participants spoke of “giving a hand to the type of organizations and people you got help from in the past.” Definable results are important regardless of which type of cause one supports, such as the number of meals served, people housed, court cases fought, or laws passed. “Without my support and the support of others like me, X would not have happened,” explained one focus group participant to illustrate how he thinks about his giving.

In comparison with all donors nationwide, Bay Area donors to LGBT causes are half as likely to give to religious or spiritual organizations—yet as many as half of the focus group participants cited involvement through a church or temple as driving their current charitable activities.³⁹ This includes numerous people affiliated with mainstream congregations (that is,

³⁹ According to *Giving USA 2006*, the Center on Philanthropy found that 67% of households that contribute to charity give to religion. Horizons Foundation's survey indicates that less than 35% of LGBT donors are giving to religious or spiritual causes.

non-LGBT-identified houses of worship). “Churches are starting to be more accepting,” one man pointed out. “I march with my church group in the Pride Parade and the Chinese New Year Parade.” Religious giving may be relatively diminished, but the sense of connection between giving and spirituality is deep for a significant number of LGBT donors.

Beyond religious affiliation, other important influences named by focus group participants included friends, colleagues, and the press. The LGBT press in particular plays an important role, both positive and negative, in shaping attitudes and building awareness. A number of regional LGBT publications were described as “watchdogs” that keep LGBT nonprofits honest.

Majority of LGBT Donors Open to Planned Gifts

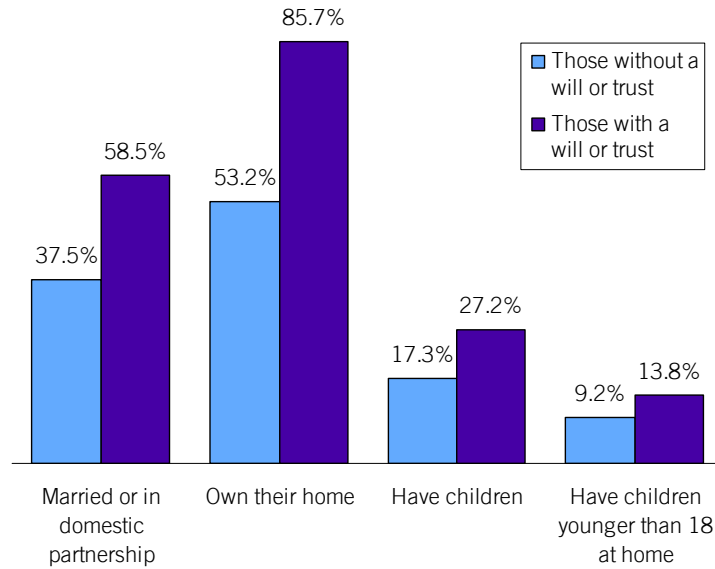
Given the potential impact of planned giving over the next 15–25 years, it was quite encouraging to find that 52.1% of LGBT donors said they were at least “somewhat likely” to make a planned gift to an LGBT nonprofit, of which 28.7% were “very likely.”

As one might expect, as donors become older, wealthier, own their homes, or have children, they become more likely to create a will.⁴⁰ Yet a substantial number continue without a will or trust (Figure 8).

Having a will correlates with—though is not necessarily connected causally to—a donor’s planned giving intent. Of those with a will or trust, 49.5% are “very likely” to make a planned gift to a nonprofit—29.6% to a non-LGBT organization and 38.5% to an LGBT organization (including 18.6% who say they are “very likely” to make planned gifts to both LGBT and non-LGBT organizations). Only 20.8% of those without a will or trust say they are “very likely” to make a planned gift.

⁴⁰ Nearly one-third of the LGBT donors who completed the online survey reported total wealth of \$1 million or more. Of those, 86.6% have a will or trust, versus 48.9% of those with net worth of less than \$1 million. It is important to note that although this survey finding might appear to support the common myth that LGBT people have greater incomes or wealth than the heterosexual population, that conclusion would be incorrect. First, the survey included only donors to LGBT organizations, who represent a minority of the LGBT population. Moreover, a growing number of studies conclude that LGBT people are no better off economically than the mainstream. In fact, several studies show that gay and bisexual men actually earn 10% to 32% *less* than their heterosexual counterparts. While the findings were not as conclusive for lesbian and bisexual women, one result was clear: they consistently earn less than men of all sexual orientations. Although no comparative studies of transgender wages have been published, several surveys consistently found that large segments of the transgender community are unemployed (6% to 60%) or low-income (22% to 64% with annual incomes less than \$25,000). There is also evidence that lesbian couples, couples including at least one non-white partner, and same-sex couples with children fall below income averages. Badgett, M.V. Lee, “Income Inflation: The Myth of Affluence Among Gay, Lesbian, and Bisexual Americans,” NGLTF Policy Institute/Institute for Gay and Lesbian Strategic Studies, 1998. See also Soule, Thomas, “The Myth of Gay Affluence,” *Blade*, 2006. Badgett et al., “Bias in the Workplace: Consistent Evidence of Sexual Orientation and Gender Identity Discrimination,” Williams Institute, 2007. Gates, Gary, PhD., “Black Same-Sex Couples in California,” Williams Institute, 2005. Sears, R. Bradley et al., “Same-Sex Couples and Same-Sex Couples Raising Children in the United States,” Williams Institute, 2005.

Figure 8. Key LGBT demographics of those with/without wills or trusts



Motivators and Deterrents to Planned Giving

As shown in Table 6, the reasons why LGBT donors make planned gifts are both practical and emotional. The only major reason cited for not making a planned gift is an expectation “to bequest all of my assets to my partner, family members, and/or friends.”

One motivation is particularly noteworthy—85.9% of the survey respondents agreed that making planned gifts to LGBT organizations was important “to help future generations.” This answer may not be surprising among the non-LGBT population, but given that the LGBT community has only existed in its present form for one or two generations, it’s a vitally important expression of continuity and connection from one LGBT age group to the next. It also offers hope that in time, planned giving can grow into a cultural norm passed down among LGBT people.

Table 6. Key motivators and deterrents to LGBT people making planned gifts

Motivators (with % “Important” or “Very Important”)		Deterrents (with % “Important” or “Very Important”)	
85.9%	Important to help future generations	71.1%	Plan to bequest all assets to a partner, family members, and/or friends
82.6%	Trust in the organization(s) receiving the planned gift(s)	35.7%	Belief that one doesn’t have enough resources to make a significant gift
69.7%	Wise use of assets	24.0%	No will or estate plans yet
28.7%	Relatives and friends don’t need it	10.6%	Not confident LGBT organizations can handle a planned gift

Chore Versus Opportunity

In the focus groups, a number of participants said the main trigger for their own estate planning was witnessing the problems of friends without wills: inheritance difficulties following the deaths of their partners, or assets being claimed by estranged family members. “It didn’t cross my mind that I could give money to charity until I discovered that my adopted sister would legally be entitled to my assets if I died intestate.”

Most of the focus group participants were familiar with the informational seminars and workshops offered by nonprofit groups, including several focused on LGBT-specific estate planning. Yet there is an inertia that is hard for some people to overcome. Even among those with wills, many say they are putting off making bequest decisions because they “are not planning on going anywhere soon,” or “hope to spend it all before [they] die.” The bottom line: to many, estate planning and making bequests feel like a chore best put off for another day, or until a trusted accountant or attorney presses the issue.

Conversely, a handful of people in the focus groups described their estate planning as a pleasure. “I can leave more on paper than I can afford to give right now. That makes me feel good, to know I’ll leave more to those organizations, even if I can’t give that now.” Several mentioned that they monitor the ongoing performance of the organizations they have designated as beneficiaries.

More LGBT Planned Giving Options Needed

When it came to LGBT organizations’ capacity to handle planned gifts, donors in the focus groups and the online survey had strikingly different attitudes.

The online survey results suggest that the current planned giving capacity of LGBT organizations is not a stumbling block for most LGBT donors. Only 10.6% of the survey respondents cited a lack of confidence in LGBT organizations’ ability to handle a planned gift as an important or very important factor in their estate planning (see Table 6). While encouraging, this result is also unexpected, given the respondents’ emphasis on professionalism and solid management when it came to decisions about their annual giving. One possibility is that donors automatically or unconsciously associated planned gifts with the largest and most stable of LGBT organizations, while LGBT nonprofits across the spectrum of organizational development—from community institutions to brand-new projects—solicit annual gifts.

On the other hand, several focus group participants spoke about the need for beneficiaries to have stability and infrastructure in order to accept or structure complex planned gifts—and that LGBT groups do not yet meet that standard for them. This issue seemed to be of greater concern to the subset of donors who are wealthier or more sophisticated in their philanthropy, where such gifts are more likely to come into play. Several people noted, though, that a handful of LGBT organizations are maturing to the point where donors could make bequests with confidence.

If a satisfactory option were available, many focus group participants said they would prefer to leave at least some of their estate to address LGBT needs in perpetuity. The possibility of getting expert advice on the best places to designate planned gifts, however, was of little interest to participants. “I resent being harassed,” stated one man. “I’ll make up my own mind in due time.”

Some participants seemed to have institutions of higher education as their default for planned gifts, simply because their alma maters have longer track records, a wider range of charitable trust options, and a greater sense of permanence than the LGBT organizations they would support.

This area merits further study. As more LGBT organizations devote resources to planned giving, the broader data set will offer additional insights into motivators and deterrents for LGBT donors.

Part 3:

Strategies for Future Growth

I. Recommended Strategies for Future Growth

Successful fundraising—whether for annual giving or planned giving—is driven by relationships, and healthy relationships require dialog. Yet an overwhelming amount of communication between a nonprofit and its donors takes the form of a one-sided conversation. Direct mail and, more recently, electronic forms of communication push an organization’s messages into the marketplace but offer few opportunities for meaningful feedback and engagement. Even telephone solicitations tend to be highly scripted and formulaic. Donors are constantly asked to listen to organizations’ appeals for support, but how can they be heard in response?

This research represents an unusual opportunity for LGBT nonprofits to listen to donors and understand their passions, concerns, and preferences. By addressing the values that LGBT donors care about, organizations can shift the balance of communication. Rather than merely selling the importance of its work—in effect, convincing potential donors to adopt an organization’s values—a nonprofit can find ways to demonstrate how its work aligns with the deeply felt beliefs that its prospects already hold.

It is also an opportunity for LGBT donors to look closely at their own giving and to discover ways they can inspire other LGBT people—donors and non-donors alike—to invest in the long-term strength of the community.

This section points to some initial strategies to activate the tremendous potential for giving within the LGBT community itself. Some LGBT organizations are already quite adept at implementing the strategies suggested below. They can serve as models to other nonprofits as they strive to engage more LGBT people in supporting the LGBT community.

For Organizations

Engage Donors’ Complex Identities

LGBT donors are not monolithic in their values or priorities, and as important as LGBT identity is to most, it is not the only dimension of their experience manifested in their charitable activities. Donors tend not to think of their giving in discrete categories. Organizations that resonate with multiple aspects of a donor’s identity or experience—such as programs focused on LGBT people of color or LGBT veterans—will probably have greater success engaging that donor.

There may be opportunities to make stronger connections to issues that are not explicitly or exclusively LGBT in nature but have LGBT angles, such as aging, food and hunger, education, and many others. Some organizations have these links embedded into their work, such as groups serving the needs of LGBT youth or LGBT elders.

Another important strategy would be to explore connections with faith communities—both LGBT-affiliated and mainstream. Many research participants described their houses of worship as gateways to their most important charitable affiliations. The historic antagonism between the LGBT community and many mainstream religions may be an obstacle nonprofits could work around in order to develop new channels of support, while helping LGBT donors assert their presence in the mainstream.

Build on Donors' Connections to the LGBT Community

The donors who participated in the focus groups, all over age 50, still value their deep connections to LGBT identity and community. They have a strong sense of the community's many needs, including a belief that those needs will continue into the future, and are interested in addressing everything from LGBT youth to "lavender aging," from AIDS to marriage equality.

Although few donors consciously allocate specific portions of their giving for LGBT causes, statistics about the community's vast and largely untapped giving potential do provoke concern—including the finding that 95% of LGBT adults are not giving to LGBT causes.

This kind of information can prompt self-reflection and conversation that lead to increased giving. Scolding, negative messaging or messages emphasizing an obligation to give back to the community are unlikely to be received well. People do respond, however, to affirmative and empowering messages about the opportunity for the community to take care of itself, today and in the future.

People 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"

The research suggests that LGBT organizations may be more effective engaging donors with an advocacy or public policy orientation ("important" work) than those whose charitable interests and instincts favor direct service ("good" work). This would be a missed opportunity. If donors with a "good" work orientation find LGBT organizations less compelling, it doesn't mean they don't care. To the contrary, these donors often express a deep value in the importance of addressing the needs of LGBT people.

The disconnect is solvable. Those who currently give less to LGBT organizations tend to focus their giving on direct-service causes, where there are explicit, measurable, and often local results. To engage these donors, LGBT organizations can work to demonstrate the local, real-world outcomes of their work, as well as show how this work contributes to lasting, meaningful change on a larger scale. This means telling the stories of real people who have had their lives changed by an organization's efforts. It means going beyond statistics and facts to relate emotional truths. It means creating opportunities for donors to witness and experience an organization's work on an immediate and personal level. In fact, such changes will make efforts to reach advocacy-oriented donors more effective as well.

Demonstrate Results, Effectiveness, and Institutional Stability

In the end, the fact that a cause is LGBT-related may be enough to attract the attention of many LGBT donors, but it won't necessarily "close the sale." Most will look for clear results, transparency, accountability, and a sense that the organization is well-run before deciding whether to give. Donors hold non-LGBT organizations to similar standards. However, given that LGBT nonprofits remain overwhelmingly fragile and vulnerable to economic and political changes, measuring up to the same benchmarks as well-established mainstream nonprofits can prove quite challenging.

Institutional stability is especially important when it comes to planned giving. Only a handful of LGBT organizations have developed stable enough track records and active enough planned giving programs to engender strong confidence in their capacity to handle bequests

appropriately after a donor's death. Over time, the ranks of these anchor groups will grow. Sophisticated and wealthier donors, in particular, will respond to evidence that organizations have developed the capacity to accept and manage complex gifts.

Frame Planned Giving as an Opportunity

A major motivation for LGBT people to plan their estates (clearly prevalent among focus group participants with wills or trusts) is the fear of unintended consequences should they die without making their wishes known. The lack of comprehensive legal protections for most LGBT relationships brings a sense of urgency to estate planning, but also frames it as a chore—and an inherently unfair chore at that. On the other hand, the ideal planned giving scenario offers donors a sense of satisfaction in providing for the people and causes they care about most. The twin messages—this is vital for your security *and* something fulfilling—can be somewhat awkward, yet are potentially compelling.

Most of the focus group participants expressed a clear grasp of the negative, fear-driven side of the message, but only a few had made the leap to seeing estate planning as something enjoyable. 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

Although many donors are sensitive about publicizing bequests or other planned gifts, two main mechanisms could help foster confidence and accelerate the process of building a robust planned giving culture within the LGBT community. Certainly, leadership gifts by key opinion-leaders (donor peers) bring wide visibility to the potential impact of planned giving for the LGBT movement.⁴¹ However, the greater impact may come through sheer numbers of LGBT donors making planned gifts. It's vital for LGBT people to hear that *all* bequests to the community are “significant,” not just high-profile gifts. For example, if just 10% of LGBT people in the Bay Area left an *average* gift of \$10,000, this alone would translate into \$432 million in resources for the LGBT community.

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Another important message, reflecting a central concern of many LGBT donors, would promote the notion that providing for one's community doesn't have to conflict with providing for loved ones. Very often, it's possible to do both.

This affirmative approach to planned giving can help LGBT donors understand LGBT organizations' role in advancing their values and supporting the LGBT community into the future.

⁴¹ A striking example is the \$65 million bequest made in February 2008 by Ric Weiland to the Pride Foundation in Seattle.

For Donors

Reflect on Personal Giving

Donors in the focus groups consistently overestimated how much their peers are giving to LGBT causes—frequently by a factor of 10—and they believed that they themselves were giving more to LGBT organizations than the hard numbers showed. 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 to their donors, the public, and the people they serve. 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. The expectations and definitions of success may need to be quite different for a decade-old LGBT nonprofit with a small staff compared to a century-old cultural institution or university with scores of employees in fundraising alone.

By inspiring others to give to LGBT organizations, LGBT donors help strengthen the fabric of the LGBT community.

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.

Estate planning doesn't have to be complicated or somber. Rather, it's about LGBT people taking control of their own lives and legacies—no matter how many or how few assets they have—and providing for whom and what they love. Because the government does not yet fully recognize LGBT partners and families, planning ahead is particularly important for the LGBT community.

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. When LGBT donors talk with others about their giving, it takes the community's generosity out of the closet and powerfully demonstrates how each person is part of—and vital to—the LGBT movement's success.

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.

II. Conclusion

For the LGBT movement to succeed, and for the LGBT community to remain strong and resilient, we need to answer some critical questions. How can we encourage more LGBT people to contribute financially to *LGBT* causes? Clearly, there are outstandingly generous individuals among us—what keeps more LGBT people from joining them? How can the LGBT community realize its full philanthropic potential?

With few exceptions, we cannot expect our organizations to thrive and be powerful and effective without greater financial support from the community itself. Moreover, the case for foundations and corporations to provide more funding to the LGBT community is bolstered by evidence that LGBT people themselves are committed to the goals we ask those philanthropic institutions to support.

Perhaps the greatest lesson of this research is that LGBT people themselves are a formidable untapped resource. If more non-donors started giving to the LGBT community, we would significantly increase the resources available to our essential organizations. If community leaders and organizations were better able to convince more people to give, the impact could be transforming.

The long-term impact of LGBT philanthropy rises exponentially when we consider giving through planned gifts. Most people's capacity to give out of total assets far exceeds their capacity to give from current income; this is doubly true in the Bay Area, where billions of dollars are tied up in real estate equity alone. It is instructive that today's billion-dollar endowed funds—at community foundations, Jewish foundations, and others—have been built largely from bequests.

The community of LGBT givers is diverse and complex; there is no single solution for helping philanthropy develop more quickly in this young movement. Yet the call to action is clear. LGBT nonprofit organizations must connect with donors by addressing the values they care about. LGBT donors must reflect on their own support for community causes and find ways to deepen that support. We must invite those who are not giving to LGBT causes, or who are giving far below their potential, to engage. Our political leaders, activists, and public figures must rally the community.

In the end, as in the earliest days of our community's existence, we succeed because we all contribute. No community organization or social movement can succeed based solely on the dollars in its coffers. At the same time, the absence of money makes success nearly impossible. The challenge—for LGBT people, for the Bay Area, and for our movement—is to develop the resources we need to ensure a powerful, healthy, vibrant, and compassionate community for generations.

LGBT people themselves are a formidable untapped resource for funding LGBT organizations.

APPENDIX A: List of Participating Organizations

Organizational Survey

Local/Regional LGBT

Bay Area Lawyers for Individual Freedom (BALIF)
Black Gay Letters and Arts Movement (B/GLAM)
Community United Against Violence (CUAV)
Billy DeFrank LGBT Community Center
Frameline
Gay-Straight Alliance Network
GLBT Historical Society
Horizons Foundation
Lavender Seniors of the East Bay
Lyon-Martin Women's Health Services
Metropolitan Community Church of the Redwood Empire
New Conservatory Theatre Center
New Leaf: Services For Our Community
Pacific Center for Human Growth
ProLatino de San Jose
Queer Women of Color Media Arts Project
San Francisco Gay Men's Community Initiative
San Francisco Lesbian, Gay, Bisexual, Transgender Community Center
Spectrum Center for Lesbian, Gay, Bisexual, and Transgender Concerns
Transgender Law Center
Women's Educational Media

National/Statewide LGBT

Equality California
Equality California Institute
Gay and Lesbian Alliance Against Defamation (GLAAD)
Human Rights Campaign
Lambda Legal Defense and Education Fund
National Center for Lesbian Rights
Point Foundation

Regional HIV

Academy of Friends
AIDS Emergency Fund and Breast Cancer Emergency Fund
AIDS Legal Referral Panel (ALRP)
Face to Face/Sonoma County AIDS Network
Marin AIDS Project
Most Holy Redeemer AIDS Support Group

Positive Resource Center
Project Open Hand
San Francisco AIDS Foundation
STOP AIDS Project
Tenderloin Health

Online Donor Survey

AIDS Legal Referral Panel (ALRP)
Equality California
Equality California Institute
Gay and Lesbian Alliance Against Defamation (GLAAD)
National Center for Lesbian Rights
Billy DeFrank LGBT Community Center
Horizons Foundation
New Leaf: Services For Our Community
Pacific Center for Human Growth
San Francisco Lesbian, Gay, Bisexual, Transgender Community Center
Spectrum Center for Lesbian, Gay, Bisexual, and Transgender Concerns

APPENDIX B: Organizational Survey

Background information

1. In what year was your organization founded?
2. When did your organization's last complete fiscal year end?

Fundraising from individual donors

3. How many individual donors made a gift in your last complete fiscal year? (Please note that this question concerns the number of donors rather than donations.)
4. What is the total dollar amount you received from individual donors in your last complete fiscal year?
5. Of that total dollar amount raised from individuals, how much was raised through fundraising events? (Please be sure not to include corporate or other non-individual sponsorships.)
6. How many donors gave a total of \$1,000 or more in your last complete fiscal year?

Planned gifts and estate gifts

7. How many people, to your knowledge, have included your organization in their estate planning (i.e., they have notified you that your organization is included in their will, trust, or any other planned gift instrument)?
8. Does your organization have an active program to solicit planned and estate gifts?

Endowment

9. Does your organization have an endowment?
If so, what is the value of your endowment as of the end of your last fiscal year?

(HIV organizations ONLY)

10. Approximately what percent of your donors identify as lesbian, gay, bisexual, and/or transgender?

APPENDIX C: Online Donor Survey

My Experience with Nonprofits

1. Have you ever made a financial contribution to a nonprofit organization?

yes
no
don't know

If no, go to question 13.

If yes or don't know:

2. To what types of nonprofit organizations have you donated since August 2005? (check all that apply)⁴²

Social Services
Educational or Research (example: a college or university)
Foundation (example: a community foundation, private foundation)
Disaster or emergency relief (example: Katrina relief)
Arts or cultural (example: a museum)
Civic, Social, and Fraternal Org (example: the Lions Club)
Health services (example: a hospital, an HIV service organization)
Religious or spiritual (example: a church, synagogue, or mosque)
Advocacy or civil rights (example: civil liberties or LGBT rights organization)
Other (please specify)

3. To how many nonprofit organizations (LGBT and non-LGBT) have you donated since August 2005? [*drop-down menu range: 0–20*]
4. Of these, how many were LGBT organizations? [*drop-down menu range: 0–20*]
5. When was your *first* financial contribution to an LGBT nonprofit organization?
since January 2005
between January 2000 and December 2004
before December 1999
don't know

LGBT and Non-LGBT Organizations

Questions 6, 7, and 8 have answer options “Not Important,” “Somewhat Important,” “Important,” “Very Important,” and “N/A.”

6. How important are these reasons to your decision to make a financial contribution to *any* nonprofit organization? (Please note this question concerns your contributions to both LGBT and non-LGBT organizations.)

The organization has low overhead.

⁴² Answer choices appeared in a different random order for each respondent.

- The organization is very efficient.
 - I know someone who works for or who is associated with the organization.
 - The organization has a reputation for spending money wisely.
 - I will receive some gift, such as a t-shirt or book, in return.
 - The organization's board is diverse in terms of race and/or gender.
 - I am confident that my name and contribution will remain confidential.
 - The organization is professional and well-run.
 - The gift is tax-deductible.
 - The donation includes a chance to attend a social event.
 - The organization provides direct services for people in need.
 - I want to have some influence on the organization's agenda.
 - I or someone I know benefits from the organization's work.
 - I respect and trust the organization's leadership.
 - I was asked to give money to this organization.
 - I want to "give something back."
 - I volunteer for the organization.
 - The organization has existed for many years.
7. How important are these reasons to your decision to make a financial contribution to a particular *LGBT* nonprofit organization? (Please note this question concerns only *LGBT* organizations.)
- The org. does not have the words "lesbian," "gay," "transgender," or "bisexual" in its name.
 - The organization has helped me or someone I know.
 - I want to contribute to social and political change for *LGBT* people.
 - The organization primarily serves lesbians.
 - The organization is well-run.
 - I want to do something useful for *LGBT* people.
 - I want to participate in and/or help build the *LGBT* community.
 - The organization is addressing a very important crisis or challenge in our community.
 - I feel connected to the organization.
 - I feel appreciated by the organization.
8. Please take a moment to consider your current level of charitable giving to *LGBT* organizations. When you think about reasons why you give what you do and why you do not give more, how important are the following reasons to your thinking?
- I'm concerned about how well-managed *LGBT* organizations are.
 - I can't afford to give more.
 - I don't know if my additional donation will be used appropriately.
 - I prefer to make contributions to political campaigns affecting *LGBT* rights.
 - I don't think additional gifts would make a difference.
 - I haven't been asked to give more.
 - I don't think the *LGBT* community's needs are that great compared to other causes.
 - I prefer to give additional money to other types of organizations. (non-*LGBT*)
 - My previous gift wasn't properly acknowledged.
 - I don't feel connected enough to the organization.
 - I don't know enough about what different organizations there are and what they're doing.

9. Please list and explain any other reasons you give what you do and not more.
10. When was your most recent financial contribution to an LGBT nonprofit organization?
- since January 2005
 - between January 2000 and December 2004
 - before December 1999
 - don't know

If “since January 2005,” go to question 13.

Otherwise, go to question 11:

11. Please indicate how important the following factors are to your not making donations more recently to an LGBT organization.

- I was concerned that my name will end up on many mailing lists.
- I could no longer afford to give money.
- I wasn't sure that my donations made any difference.
- I didn't have the time.
- I've shifted my contributions to political causes affecting LGBT rights.
- I worried that people will think I'm gay, lesbian, bisexual, or transgender.
- I wasn't asked to contribute.
- I think LGBT community organizations have enough money to do the job.
- I've started giving more to non-LGBT causes.
- Donations I made before weren't recognized properly.
- I wasn't sure that LGBT organizations would handle my gift properly.
- I didn't know enough about any organizations to donate.
- I didn't trust that my donation would be used the way I wanted it to be.
- I lost interest in the organization(s).

12. Please list and explain any other reasons you have not recently made a gift to an LGBT organization.

Planned Giving

13. Before taking this survey, how familiar were you with the idea of planned giving?

- Not at all familiar – never heard of it
- Vaguely familiar – heard of it, but unaware of details
- Familiar – understand general idea
- Very familiar – understand specifics

14. Do you currently have a will or living trust?

- yes
- no

15. How likely do you think you are to make a planned gift to a *NON-LGBT* nonprofit organization?

- not at all likely
- somewhat unlikely
- somewhat likely

- very likely
- unsure
- other (please specify)

16. How likely do you think you are to make a planned gift to an *LGBT* nonprofit organization?

- not at all likely
- somewhat unlikely
- somewhat likely
- very likely
- unsure
- other (please specify)

If not at all likely or somewhat unlikely, go to question 19.

If somewhat likely, very likely, or unsure:

17. What are the main reasons why you will make a charitable planned gift?

This question has the answer options “Not Important,” “Somewhat Important,” “Important,” “Very Important,” and “N/A.”

- I’ve already made a commitment to do so and plan to keep that commitment.
- I think it’s important to help future generations.
- I’d like to continue the charitable giving I’ve done during my lifetime.
- I trust the organization(s) to which I’m leaving my planned gift(s)
- My relatives and friends don’t really need it.
- It seems like a wise use of my assets.
- I find satisfaction in the idea of a legacy that reflects my passions and ideals
- An organization that I support asked me to make a planned gift.
- Other people I know have made planned gifts.

18. Please list and explain any other reasons why you are likely to make a planned gift.

19. What are the main reasons why you don’t expect to make a charitable planned gift to an *LGBT* organization?

This question has the answer options “Not Important,” “Somewhat Important,” “Important,” “Very Important,” and “N/A.”

- I don’t know enough about how to do it.
- The process seems too complicated.
- I haven’t had time to think about it.
- None of the organizations I support have informed me about option of planned giving.
- I don’t think I will have enough resources to make a significant planned gift.
- I plan to bequest all of my assets to my partner, family members, and/or friends.
- I’m not confident enough that *LGBT* organizations can handle a charitable planned gift.
- I don’t think the *LGBT* community will need much support in the future.
- I don’t need to think about this now.
- I haven’t written my will or made estate plans yet.

- I need more information about how to make a “smart” charitable bequest.
I don’t like to think about writing my will or estate planning.
20. Please list and explain any other reasons why you are unlikely to make a charitable planned gift.

Volunteering

21. Do you volunteer for any LGBT non-profit organizations?
- yes
 - yes – only for an annual event
 - no
 - other (please specify)
22. If so, approximately how many hours in the past week did you volunteer? [*drop-down menu with range = 0–20+*]
23. Is that the typical amount of time you spend volunteering each week?
- yes
 - no
24. If not, what is the typical amount of time you spend volunteering each week?

About You

25. What is your zip code?
26. How many children do you have (biological or adopted)? [*drop-down menu range: 0–8+*]
27. How many children under age 18 live in your home? [*drop-down menu range: 0–8+*]
28. What is your age in years?
29. What is your ethnic identity? (check all that apply)
- African American/Black
 - Asian/Asian American/Pacific Islander
 - European American/Caucasian/White
 - Latina/Latino/Chicana/Chicano/Hispanic
 - Native American/Native Alaskan
 - Multiethnic
 - Other (please specify)
30. What is your gender? (check one)
- Female
 - Male
 - Transgender
 - Other (please specify)
31. If you marked Transgender are you:
- Male-to-Female
 - Female-to-Male

32. How do you identify? (check all that apply)
- Lesbian
 - Bisexual
 - Gay
 - Heterosexual
 - Questioning
 - Other (please specify)
33. What was your household annual gross (pre-tax) income in 2005? *[drop-down list in \$25,000 increments: \$0–\$25,000 to \$3,000,000+]*
34. What is your total household wealth? *[drop-down list in \$25,000 increments: \$0–\$25,000 to \$3,000,000+]*
35. What percentage of your total household wealth do you plan to leave to charity? *[drop-down list in 10% increments: 0% to 91–100%]*
36. Is your home:
- Owned by you or someone in your household with a mortgage or loan?
 - Owned by you or someone in your household free and clear (without a mortgage or loan)?
 - Rented for cash rent?
 - Other (please explain)
37. Are you currently:
- single?
 - dating?
 - in a relationship?
 - in a domestic partnership (registered or otherwise)?
 - married?
 - Other (please specify)
38. For how many years have you lived in the San Francisco Bay Area? *[drop-down menu range: “less than 1” to 25+]*
39. What is the highest degree or level of school you have COMPLETED?
- No schooling completed
 - Between 1st grade and 6th grade
 - Between 7th grade and 12th grade (no diploma)
 - High school graduate – high school diploma or the equivalent (for example: GED)
 - Some college credit, but less than 1 year
 - Associate degree (for example: AA, AS)
 - Bachelor’s degree (for example: BA, AB, BS)
 - Master’s degree (for example: MA, MS, MEng, MSW, MBA)
 - Professional degree (for example: MD, DDS, LLB, JD)
 - Doctorate degree (for example: PhD, EdD)
 - Other (please explain)

APPENDIX D: Notes on Methodology

Part 1 of Horizons Foundation’s *Building a New Tradition of LGBT Philanthropy* contains data as self-reported by the organizations surveyed. Although Horizons is confident in the broad accuracy of the picture painted in this report, the following specific limitations should be kept in mind:

- *Potential underestimate of giving totals* – The survey did not include all LGBT organizations, focusing instead on a sampling of mostly larger national and local/regional entities, which collectively account for the great bulk of non-political LGBT organizational and movement fundraising. As a result, the totals listed in this report probably underestimate the actual giving totals. Horizons also did not include political giving, or income generated for charity through LGBT community events such as pride parades and street fairs, as these are largely transactional in nature (for example, the “donor” pays a gate admission).⁴³
- *Potential overestimate of LGBT donors* – Because specific data on donor self-identification do not exist, the researchers assumed that 100% of individual donors to regional and national LGBT organizations are themselves LGBT people. This limitation may overestimate the number of LGBT donors because some donors are likely straight allies to the movement. Also, because Horizons Foundation collected no donor names from participating organizations, the data are not “de-duplicated”—if one donor gives to more than one of the 39 organizations, s/he will be “counted” as more than one distinct donor. This limitation likely overestimates the total number of active donors, since a significant percentage of active donors typically support more than one organization.⁴⁴

⁴³ Even if one assumes that \$2 million has been not included in this survey, the overall numbers on giving would not shift very much. For example, annual giving to LGBT and HIV organizations would only rise from \$32.17 per LGBT individual to \$36.80.

⁴⁴ Horizons Foundation’s online donor survey found that 73.6% of people donating to LGBT nonprofits gave to two or more organizations.