

Affinity Groups

Joining an Exclusive Club

By Marissa Guanaja

There is great utility in organizing groups or individuals around similar interests and goals. Ideas are generated and efforts are combined with the intention of furthering a cause or attaining a common objective. This organizing tactic has been used to build and strengthen social movements throughout history. More recently, employers have been using the concept to provide employees with a type of support network in the workplace, in an era of widespread corporate scandals and layoffs.

In the philanthropic sector, grantmaking institutions—whether foundations or corporations—and individual donors also communicate, collaborate and network around shared concerns and common interests with the hopes of influencing grantmaking in order to become more responsive to the needs of a particular group or area of interest. In the case of the philanthropic sector, this convening of “like-minded” institutions and individuals takes place under the guise of what the Council on Foundations has come to call affinity groups.

Currently the Council on Foundations recognizes 39 affinity groups that encompass a wide range of issues and population groups.¹ The first Council on Foundations-recognized affinity group was the Association of Black Foundation Executives in 1971, with a majority of the remaining 38 groups forming and gaining recognition in the 1990s. But not only has the number of affinity groups been steadily increasing, so, too, has the number of populations or interests represented by more than one affinity group.² For example, both the Women’s Funding Network and Women and Philanthropy seek to encourage recognition of the importance of the full engagement and participation of women and girls in society. In fact, both of these organizations have sponsored a number of joint programs and reports.

Similarly, the National Office on Philanthropy, the Black Church and the Association of Black Foundation Executives work toward increasing philanthropy and effective

grantmaking to black communities. Native Americans in Philanthropy, along with International Funders for Indigenous People, seek to “strengthen” indigenous communities through effective grantmaking. Finally, the Funders Committee for Civic Participation and Philanthropy for Active Civic Engagement encourage service and volunteering through increased and more effective grantmaking to programs that support civic engagement.

Aside from the overarching goal of seeking to improve the effectiveness of grantmaking to some degree, the missions and purposes of many of the affinity groups are often difficult to discern. Deciphering the range of organizational structures is an equally daunting task: Some are organized as volunteer-run networking and information exchange forums, others as formal and professional organizations with full-time staff that offer a range of professional services from consulting to technical assistance.

Essentially, affinity groups seek to impact grantmaking by coordinating efforts among and within members of the philanthropic sector—foundation staffs and trustees, employees at other grantmaking institutions—and individual donors are invited to join these groups and participate in their events. For the most part, however, those affected by the dialogue taking place—i.e., nonprofit organizations and the people they serve and represent—should seek advice and guidance elsewhere. Within the mission statements and purposes of the affinity groups, a grand illusion is created: While the groups’ goals may be commendable—to improve and generate effective grantmaking to organizations that fall within their area of interest—their approach falls incredibly short of achieving such an end.

One of the major criticisms of the philanthropic sector is its exclusivity—a huge barrier exists between the philanthropic and nonprofit sectors, due, in part to the power imbalance between foundations and nonprofits. Grantmaking, in every instance, involves at the

very least two parties, whether institutions or individuals: the donor and the grantee. Affinity groups, as a catalyst for effective grantmaking in target areas, should facilitate communication and dialogue between donors and grantees. Unfortunately, what has occurred, given the current structure of many of the affinity groups, is that the relationship between grantmakers and donees has been further stratified. Participation in affinity groups is limited to grantmaking institutions and funders, and to that end, affinity groups are encouraged to limit the participation of nonprofits.

This notion is demonstrated by the following criteria that the Council on Foundations has set forth for obtaining recognition of the council:³

- The group should be composed primarily of grantmakers, and the services/programs offered are primarily for the benefit of grantmakers.
- Three members of the Council on Foundations must sponsor the group, and sponsorship requires a written statement confirming that council members belong to the group and consider its program/services worthwhile.
- Membership and access to the group's programs must be open to all council members (i.e., foundations).
- The group must have had at least one organizational meeting including representatives from the three sponsoring foundations to establish clear goals and objectives for the organization, and the group must be organized and active (i.e. hold, sponsor or organize issue briefings, workshops, conferences, etc.).
- The group must have a minimum of 20 members (individuals/organizations), at least 10 of which are members of the Council on Foundations. A list must be provided at the time of application.
- The group must identify a main contact person for purposes of mail and telephone com-

munication with council staff and with other affinity groups. This contact must be a council member, unless the affinity group has a permanent staff.

Aside from the criteria that the Council on Foundations has set forth to guarantee that it and the interest of its members are represented within these affinity groups, there are no guidelines that state what an affinity group's purpose should be; there are no principles by which to judge their usefulness; and, in short, there is no way to bring order to the pandemonium that is the wonderful world of affinity groups.

Affinity groups are not philanthropic institutions in the sense that they are not grantmaking institutions—they do not directly give money to nonprofits or benefit them in any tangible way. In fact, affinity groups have entered into direct competition with the nonprofits that they claim to assist by becoming grantseeking institutions themselves, applying for grants to cover programmatic expenses for conferences, meetings, publications and research, among other things.

Of the 39 affinity groups recognized by the Council on Foundations, 20—which clearly had to incur some expenses to operate—did not have any financial information available, and they are not required to, because they are not formally incorporated nonprofit organizations. An examination of the most recent IRS Form 990s for the 19 affinity groups that are incorporated, and therefore required to file with the IRS, revealed that \$16,518,427 of the organizations' revenue came from direct public support—from foundations, other grantmaking institutions or individual donors.⁴ These grants awarded to Council on Foundation affinity groups count toward a foundation's 5 percent annual payout requirement. In other words, a requirement that is meant to directly benefit nonprofits is essentially compensating the philanthropic sector itself, since affinity groups almost exclusively engage foundation staff and trustees. In 2002, executive compensation and benefits for the 19 affinity groups that

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had 990s available totaled \$2,035,178. That is in addition to the \$3,744,818 listed under additional salaries and wages and the \$869,244 listed for travel expenses.

One would assume that effective grantmaking—which is what the affinity groups claim to be trying to achieve or foster—would involve actually knowing what nonprofit grantees need and want from funders. Program expenses for the 19 organizations on file with the IRS totaled \$14,951,976 in 2002. Of the programs supported by those expenses, few directly solicit or invite nonprofits to participate. If participation is allowed, it is almost always at a very limited level and higher registration or membership fee than foundation member organizations of the affinity group, a confounding approach for foundations that are supposedly trying to seek to improve their grantmaking programs and practices.

The claim that affinity groups allow grantmaking institutions and foundations to focus or improve their grantmaking has not been substantiated by a comprehensive analysis that shows added value to the quality of the grantmaking of participating institutions. In fact, many of the populations these affinity groups claim to serve have seen stagnant or decreasing levels of foundation support in recent years. While foundation funding for children and youth has steadily increased, funding to the economically disadvantaged, women and girls, the disabled, aging/elderly/senior citizens, and ethnic or racial minorities has, at best, remained stagnant.⁵ Increasing the dollars given to these target populations certainly is not the only way to seek change, but on a broader scale, considering the troubling socioeconomic indicators for these populations, the philanthropic sector has not been more responsive to the public's needs since the formation of affinity groups.

According to the Council on Foundations, its Affinity Group Network is "composed of a variety of organizations covering a range of issues and population groups. Affinity groups provide needed resources, information and expertise to enhance the effectiveness of philanthropic dollars."⁶ The philanthropic sector has, for years, struggled with the ever persistent issue of effective grantmaking. The Council on Foundations, along with other membership organizations such as Independent Sector, has instituted guidelines to which all current members and prospective members must adhere. Of course, none of these guidelines are enforceable; in fact, one may look

at them as mere suggestions of what grantmaking institutions should be striving toward.

The latest attempt and trend toward effective grantmaking has been the sudden rise in the number of, and interest in, affinity groups. Organizing, or forming informal networks according to issue area of interest, could be useful, since it provides a forum for dialogue and an exchange of ideas. However, the current structure of affinity groups diverts grants from nonprofits that actually serve the populations that are in need, conceals myriad administrative costs under the guise of grants, and purports to reach out to the nonprofit sector, but actually just adds more barriers to those that already exist between grantmakers and grantseekers.

The affinity group club is exclusive, and those without the appropriate status and financial wealth—but who hold the key to philanthropic effectiveness—need not apply. ○

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Notes

1. For the purposes of this report, the focus will be exclusively on affinity groups recognized by the Council on Foundations. See <http://www.cof.org/Content/General/Display.cfm?contentID=1560> for the affinity group network of the Council on Foundations.
2. In 2003, various reports cited that there are 37 Council recognized affinity groups, including: <http://www.tgci.com/magazine/00summer/affinity.asp>, <http://www.disabilityfunders.org/news/2n3.htm>, and http://www.cof.org/files/Documents/International_Programs/intlaffinitygroupreport.pdf
3. <http://www.cof.org/files/Documents/Networking/Affinity%20Groups/AGNcriteria-application4-2004.doc>
4. Of the 39 affinity groups, only 19 had financial information available: Eighteen had 2002 990 forms and one had a 2001 990 form available on Guidestar. One affinity group had just recently been incorporated and would not have 990 information available until the following filing period.
5. Foundation Giving Trends 2003 edition.
6. <http://www.cof.org/index.cfm?containerID=26&menuContainerID=&crumb=2&navID=43&navID=43>