



The Pros and Cons of Anonymous Giving

Although anonymous donations represent just one percent of overall giving, deciding where and when to give anonymously may be a complicated decision for some of your clients. Giving publicly can bring recognition, attract others to a cause, and help donors take a leadership role in supporting the organizations they care about, while anonymity allows for privacy, discretion, and flexibility. Yet it's rarely either/or.

Public giving and anonymity exist on a continuum, many experts say, and finding a place between those two poles is a balancing act of privacy, strategy, and personal style. As you guide clients in their giving, it may be useful to understand some of the reasons behind anonymous giving—as well as the range of options that exists.

Consider two brief vignettes about “Mr. Broadway,” an anonymous donor who, for obvious reasons, declined to be identified for this story.

Here's the first vignette: Broadway and his two sons go to visit a friend at a hospital in the Bronx. Walking down the hallway, they pass a wall filled with wooden plaques honoring hospital benefactors. Knowing their father is a longtime donor, the boys scramble to find his name.

There is a Mr. Broad and a Mr. Broodway, but no Broadway. “Why?” they ask. “Do you remember any of the other names up there?” Broadway says. “No,” they answer. “That's right,” he tells them. “The only reason those names are on the wall is so that I can have the satisfaction of finding my name among them.” The lesson? “No one really cares that your name is on the wall,” Broadway says. “So why not save a tree by giving anonymously?”

Now for the second vignette: Broadway's sons enter the Fifth Avenue Mile road race, sponsored that year by New York real-estate mogul Donald Trump. For some reason, Trump is wildly unpopular with running enthusiasts. Every time the announcer welcomes a new group of runners to the Trump Fifth Avenue Mile, a chorus of boos and hisses rises from the crowd. “Which just goes to show,” Broadway says, “Sometimes having your name attached to something attracts the wrong kind of attention.”

Why Give Anonymously?

Donors have many complex reasons for wanting anonymity. According to Hildy Simmons, an independent philanthropic advisor based in New York, the reason cited most often is the desire to avoid a deluge of requests that often trail donors. “They just don't want the burden of solicitation madness,” she says. Religiously inclined donors, she adds, often view anonymity as the highest form of generosity. And for donors new to philanthropy, anonymous giving is a great way to learn without making all their decisions – and possibly mistakes – in public.

Other common reasons include privacy, professional discretion, and a desire to be seen as regular folks. Lauren Katzowitz Shenfield is executive director of Philanthropy Advisors in New York. She advises the donor behind the New York-based Anonymous Was a Woman Foundation, which makes unattributed annual \$25,000 grants to women artists whose work has been underappreciated by the market. The benefactor, says Katzowitz Shenfield, is an artist herself, and she was concerned about what the gifts might do to her relationship with other artists if they knew she was behind the grants. “She also finds it enormously thrilling to do this kind of philanthropy,” Katzowitz Shenfield adds.

While some donors prefer to remain anonymous in all cases, others prefer to just keep their names off particular grants. “Donors can be creative in their giving in being anonymous,” says Alexandra Derby, director of donor services at the Marin Community Foundation in Novato, California. “Anonymity allows donors to take some risks that they might not otherwise be able to take.”



For example, a donor who serves on a nonprofit board might want to make a multiyear grant to the organization. Making the grant anonymously might make capacity building work better. “If the board members know who gave that particular grant, the dynamic of the group could change,” says Derby. “They might feel like the donor is looking over their shoulder.”

Finding the Right Solution

Once advisors understand their clients’ reasons for wanting anonymity, they can help them find a giving strategy that fits their needs. “This comes down to one key issue for someone like me,” says Gay Young, associate director of donor relations at the New York Community Trust. “What is the donor trying to do?”

The most flexible way to remain anonymous or attach your name to a particular grant is through a donor advised fund at a community foundation. “Donors can enjoy any degree of anonymity they want with a donor advised fund,” says Derby. The fund can have a neutral name, such as the Green Tree or Musical Arts fund. Donors can then choose when they want grants to show them as leaders or to keep their names out of it.

Some major donors prefer to set up private foundations. These organizations lend a certain amount of prestige and are great for donors who wish to be a leader or role model in their giving. But grants from these organizations are far from anonymous. Anyone with a little research savvy can find documentation on grants made from private foundations, since they must release public financial statements.

Finally, if the donors want a modicum of privacy, they can attach their names to the check but request that the recipient refrain from making the gift public.

To help donors find a level of anonymity they are comfortable with, listen to your clients. “Understand [their] philanthropic goals and why they think they want anonymity,” says Rochelle Korman, a partner with the law firm Paterson, Belknap, Webb and Tyler. Then help them get access to other networks in the universe of philanthropy, especially if they are new to charitable giving. “Anonymity can also be a great way to stick a toe in the water,” she adds.

SIDEBAR:

Giving Strategy	Anonymity Level	Pros and Cons
Private Foundation	Low: Anyone, with a little research, can get the lowdown on your philanthropy.	Prestige and professionalism; No real anonymity and overhead can be cumbersome.
Writing a Check	Medium: Donors can request anonymity from recipients—but may get more solicitations.	Easy and discrete; Can lead to a deluge of requests.
Donor Advised Fund at a Community Foundation	High: Donors can keep the fund anonymous or just specify that particular grants remain anonymous.	Flexible, easy, and effective way to give anonymously.

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