

< Crypto currency charitable giving: a potential boon for nonprofit fundraising

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Ettore Rosetti, Senior Advisor of Social and digital innovation for Save the Children.

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The digital revolution's jargon is making its way into the vocabulary of nonprofits looking to inspire charitable giving.

“Whether that’s gamers or crypto philanthropists ... we want to be contemporary,” said Ettore Rosetti, Senior Advisor of Social and digital innovation for Save the Children, which recently added a handful of digital currency companies to its list of an acceptable donation methods.

“The crypto community, as I’ve come to know it ... are often very passionate and dedicated and philanthropic people,” he continued.

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While the addition of digital currency donation opportunities was part of an announcement earlier in December for Giving Tuesday’s appeal to the “crypto community,” experts say the donation style may be indicative of a growing trend of organizations looking to improve their fundraising capabilities.

It's just a matter of time before every nonprofit is going to be taking crypto donations just like

every nonprofit now takes credit cards," said Alex Wilson, co-founder of The Giving Block based in Washington D.C.

Since starting the company in 2017 with partner Patrick Duffy, Wilson's company has served as middleman for nonprofits looking to tap into the growing community of investors in digital currency.

The Giving Block sets nonprofits up with a custom program that can convert online digital funds into dollars that can be transferred to the organization's bank account. The company already works with about 30 nonprofits nationally, but Wilson said that list may continue to grow as more organizations learn about the benefits.

"I think we are getting close to that turning point," Wilson said. "We're at least noticing a lot of difference in our conversations in the last month regarding to openness of people to doing this and I think most nonprofits are not aware how big this market is."

Save the Children partnered with The Giving Block earlier in December during "Giving Tuesday." The global nonprofit has accepted Bitcoin donations since 2013 but has recently expanded its crypto currency donation capabilities.

"We see crypto currency as an innovation and it could be transformative or it could be a passing trend," Roseti said. "We won't know unless we participate and that's why we were an early mover."

Nonprofits working with The Giving Block receive a page for their websites specifically for crypto donations. Donors can choose what style of payment they want to use and an amount.

The donation is then sent directly to the nonprofit's crypto currency account where it is converted into U.S. dollars so they can move it into their bank account and use it for programs and operations.

SCUS may not be alone in their exploration of new fundraising methods, according to Karla Fortunato, president of the Connecticut Council for Philanthropy.

"I think that nonprofits are always trying to stay on top of the trends in fundraising and if they have potential donors who have invested in crypto currency and want to give in that way it makes sense to me that they want to be able to accept those donations as well," Fortunato said.

She added that state nonprofits have reported concerns in their ability to raise funds or they've reported dips in donor support, especially after a 2017 bill increased the amount that donors had to give to get tax write-offs. While organizations saw a surge of charitable giving before the bill went into effect, Fortunato said organizations have been responding to the decline in giving by bolstering their fundraising staff and strategies to gain donor support.

According to Wilson, who was also a crypto currency trader and investor before starting the Giving Block, embracing the digital investors may be the future of charitable giving.

He said donating from digital portfolios is treated like a stock donation where the donor doesn't have to pay a capital gains tax on it. Donors can also write it off on their taxes if they are donating it directly to a nonprofit.

"More than anything, we spend a ton of time educating people on common misconceptions and what crypto currency is," Wilson said. "People have this idea that it's either unsafe or illegitimate and we really set out to ease a lot of those fears and concerns not just with the education but with the technical solution."

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