



2022

# ANNUAL REPORT

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The Chicago Giving Circle

An overview of The Chicago Giving Circle's inaugural year of making meaningful contributions to Chicago-area nonprofits.

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# Letter from the Staff

In the Spring of 2021, three families came together with the idea of pooling their philanthropic resources to collectively have greater impact in the Chicago community. Their idea stemmed from a desire to have more accountability in their charitable giving, engage with a group of motivated and like-minded funders, learn about issues affecting Chicagoland, and have fun throughout the process.

Flash forward to today, The Chicago Giving Circle (CGC) is wrapping up its inaugural grantmaking cycle. The group is now made up of 11 families who are dedicated to and motivated by the mission of accelerating the impact of promising growth-stage Chicago-area nonprofits.

This annual report was put together in an effort to be transparent about CGC's grantmaking process, advocate for the group's first grantees, and, hopefully, inspire others to explore similar models of collaborative giving.

We're excited to share this report and look forward to continuing to grow, learn, and give for years to come.

Onward!

Julie Hoffmann (Director)

Grace Willig (Program Officer)

(On behalf of the CGC membership.)

# About CGC

The Chicago Giving Circle is a group of service-oriented individuals and families pooling their philanthropic resources to make meaningful contributions to Chicago-area nonprofits.

## Mission

To accelerate the impact of promising growth-stage Chicago-area nonprofits.



## Vision

To help Chicago flourish by giving back to the city that has given us so much and has so much to offer.

## Values

Seeking to understand and support the needs of our nonprofit partners and those they serve with multi-year grants and, when appropriate, our time.



# Grantmaking Philosophy & Model

## Philosophy

Funding provided by CGC embodies the following characteristics:

- **Targeted**
  - Focus on startup and emerging organizations, or innovative programs within established organizations
  - Open to taking on some risk to support nonprofits in trying something new or innovative
- **Trust-Based**
  - Acknowledge and work to break down the power imbalance between the group and prospective grantees
  - Build relationships where nonprofits feel comfortable and are encouraged to be transparent about their challenges
- **Nonprofit-Centered**
  - Work to satisfy the genuine needs of prospective grantees and those they serve
  - Collaborate with prospective grantees to determine what funding is most needed
- **Transparent**
  - Openly share grantmaking priorities, deadlines, and decision dates and remain accessible throughout the grantmaking process and beyond
- **Multi-Year and Conditional**
  - Provide three-year grants, contingent upon grantees meeting annual, agreed upon goals

## Model

CGC follows an annual grantmaking cycle. Each year, CGC aims to select two nonprofits to award a 3-year, conditional, \$300,000 grant - meaning if the organizations meet the agreed upon annual performance metrics, the grantees will receive \$100,000 a year for three years. In year three (2024), CGC expects to hit its full portfolio capacity of six grantees at a given time.

	2022	2023	2024	2025
<b>Grant Cycle 1</b>	\$200,000	\$200,000	\$200,000	
<b>Grant Cycle 2 (Projected)</b>		\$200,000	\$200,000	\$200,000
<b>Grant Cycle 3 (Projected)</b>			\$200,000	\$200,000
<b>Grant Cycle 4 (Projected)</b>				\$200,000
<b>Total</b>	<b>\$200,000</b>	<b>\$400,000</b>	<b>\$600,000</b>	<b>\$600,000</b>

# Grantmaking Process

Each year, CGC will follow approximately the same grantmaking process and timeline. Given that 2022 was the group's inaugural year, changes and modifications based on member and grantee feedback are sure to happen over time.

<b>Q1</b>	<b>Impact Area Decision</b>	<ul style="list-style-type: none"> <li>Members decide annual grantmaking area of focus</li> </ul>
	<b>Organization Sourcing</b>	<ul style="list-style-type: none"> <li>Staff sources and vets prospective grantees that fit within annual grantmaking area of focus</li> </ul>
<b>Q2</b>	<b>Vetting &amp; Evaluation</b>	<ul style="list-style-type: none"> <li>Investment team reviews vetted organizations, assess against customized diligence framework, and selects semi-finalists</li> <li>Staff solicits applications from semi-finalists and collects reports from prior grant cycle grantees</li> <li>Members conduct site visits with finalists</li> </ul>
	<b>Grantee Selection</b>	<ul style="list-style-type: none"> <li>Members vote to determine new grantees and confirm payments for prior grant cycle grantees</li> </ul>
<b>Q3-Q4</b>	<b>Grantee Engagement</b>	<ul style="list-style-type: none"> <li>Members participate in volunteer and learning opportunities with grantees, as appropriate</li> </ul>

## Due Diligence Framework



Throughout the grantmaking process, prospective grantees are continuously evaluated against four key diligence criteria (see graphic on the left). Starting when CGC staff conduct a landscape scan to identify the broadest set of organizations that relate to the group's annual focus area and funding priorities all the way to grantee selection, the due diligence framework is deployed at various levels to ensure organizations granted funding are the right fit for CGC, and vice versa.

# 2022 Grantmaking

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## 2022 Focus Area: **Workforce Development**

At the beginning of each grant cycle, CGC members agree upon an impact area of focus for that cycle. This focus area then serves as the "theme" for the year, meaning the grantees selected, as well as any volunteer activities or educational opportunities, will relate to that focus area.

Sourced 55+ workforce development organizations

Determined 27 organizations best aligned with grantmaking priorities

Staff recommended top 11 organizations

Solicited applications from 6 organizations

Conducted site visits with 4 finalists

Selected 2 grantees

## 2022 Grantees

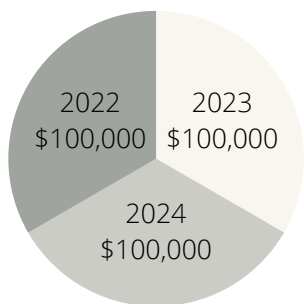
Both organizations are to receive \$300,00 over three-years, plus volunteering and engagement from CGC members, as appropriate.

**CREDMADE**



## Total Grant

\$300,000



## Impact Area

Workforce Development

## Leadership

Rahul Pasarnikar  
President

Leo Smith  
Director of Policy

## Year Founded

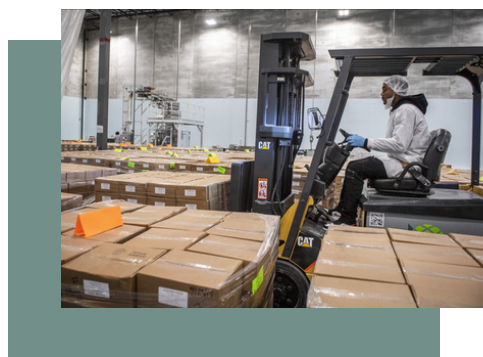
2019

## Overview

CREDMADE is a public benefit corporation and wholly owned subsidiary of the larger nonprofit organization, Chicago CRED. CREDMADE provides full-time transitional employment opportunities for individuals that need additional supports before being ready for independent employment. The organization's mission is two-fold:

- Create a national model for equitable economic development by (1) providing the most thoughtful and innovative culture for an untapped talent pool to thrive and (2) changing perceptions on what makes great, high-performing companies
- Compete in the food and beverage industry at the highest level by (1) always providing valuable and tailored services at the highest quality and competitive prices and (2) advancing the local economy by building the food talent pipeline

CREDMADE's ultimate goal is to demonstrate that a profitable business can be located on Chicago's South side through employing an untapped talent pool. In succeeding in this goal, it hopes to attract more businesses into South and West side neighborhoods, thereby employing more local talent.



## High Impact Program Model

In its 30,000 square foot facility located in the Heart of Chicago neighborhood, employees co-pack and re-pack dry foods, operate a high speed VFFS line and semi-automated pre-formed pouch filler, and have lines dedicated for manual repacking and kitting. CREDMADE's ability to bring on more employees is driven by accelerated sales growth. Therefore, the organization has ambitious financial goals that are tracked quarterly to ensure it is able to retain and hire more employees. Over time, CREDMADE has observed that employees must be retained for at least 3-months to see the results of a net-positive employment experience and set them up for success in the future.

In 2023, CREDMADE will diversify its capabilities by adding two lines of business. First, it will work with a partner to manufacture beef, turkey, and vegan jerky. This will provide an estimated \$10M in sales and an additional 75 jobs. Second, it will install bottling machinery to serve regional and startup beverage companies.

## Financial Stability

CREDMADE's goal is to generate enough sales to sustain the business. Therefore, philanthropic dollars support the creation and evolution of a unique and replicable, trauma-informed talent development model.

Previously, CREDMADE had not actively sought out philanthropic support ... The Chicago Giving Circle has a unique opportunity to be one of the first philanthropic investors in CREDMADE.



## Leadership & Organization Health

Chicago CRED Managing Partner, Arne Duncan, is a Chicago native that grew up on the South side. After serving as the CEO of Chicago Public Schools from 2001-2008. From 2009-2015, Duncan served as the U.S. Secretary of Education under the Obama Administration. In 2016, Duncan returned to Chicago and committed to trying to dramatically reduce the amount of gun violence in the city.

CREDMADE Co-Founder and President, Rahul Pasarnikar, started his career in the social sector with PeacePlayers International-South Africa, where he helped the organization scale its work of racial healing and leadership development through sport. He then moved into a 10+ year career in technology consulting (five of those years at McKinsey) prior to joining Chicago CRED.

## Mission Alignment

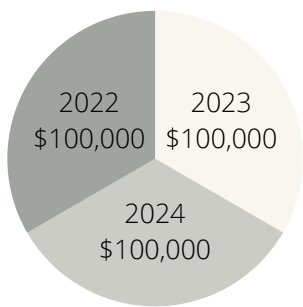
Given CGC's 2022-2024 grant cycle's focus is workforce development, CREDMADE is a great fit as the organization deploys an innovative approach to workforce development and its programming generates income for the organization and its employees. It is also directly responsive to local company inability to attract and hire labor. Understanding there is a pool of untapped talent (~20,000 high risk individuals), CREDMADE works to transition them from the street economy to the legal economy. This is considered a demand-based program, meaning it is directly responsive to the needs of the market and conducts its services accordingly. (Supply-based programming, on the other hand, implements training programming in a particular field, regardless of the local market needs). Additionally, as a relatively new organization, CREDMADE aligns with CGC's goal to fund early, growth-stage organizations.

## Additional CGC Value-Adds

- Partner directly with President and Director of Policy to co-create a performance dashboard to articulate and measure performance indicators over the next three years, including programmatic outcomes as well as organization and infrastructure growth opportunities
- Facilitate introductions between prospective partners, funders, and other key stakeholders
- Appoint CGC member as grantee liaison to work with organization staff to identify volunteer and engagement opportunities for members to partake in and determine where CGC members can deploy knowledge and resources, as appropriate. Examples:
  - Mentor CREDMADE employees, either one-on-one or as a group
  - Work side by side with CREDMADE employees packing boxes on an assembly line
  - Provide core business support (e.g. sales, marketing, manufacturing operations, etc.)

## Total Grant

\$300,000



## Impact Area

Workforce Development

## Leadership

B.J. Stewart  
Executive Director

Laura Lane  
Managing Director  
of Programs

## Year Founded

2012

## Overview

Sunshine Enterprises was established in 2013 with the mission of empowering high-potential entrepreneurs living in under-resourced neighborhoods to grow their business and transform the communities in which they live. Serving entrepreneurs across 138 zip codes within Chicagoland, the organization recognizes that small business owners in under-resourced communities need professional support and social networks to successfully sustain their businesses and fully unleash their potential.

## High Impact Program Model

Sunshine Enterprises offers two primary programs, The Community Business Academy (CBA) and Business Acceleration Services (BAS). CBA is a twelve-session, 36-hour course focusing on business planning and management. The course delivers hands-on training in the basic concepts, tools, and skills needed to plan for and run a successful business. BAS is an extension of services to graduates of CBA. Business consultants with experience owning and operating small businesses work individually with entrepreneurs to help them set goals, develop a plan of action, and identify and overcome obstacles to success.

CBA is a licensee of Rising Tide Capital's replicable model for providing high quality entrepreneurial development services to underserved communities. Sunshine Enterprises has innovated upon the model by breaking it into four cohorts (construction trades, real estate and property management, arts and makers, tech and digital) to ensure it is meeting the needs of the specific communities it serves.

## Financial Stability

Sunshine Enterprises has a variety of funder support, both foundations and corporate, including Coleman Foundation, Chicago Community Trust, Fund for Equitable Business Growth, The Altum Fund, PNC Bank, Target, and US Bank.

This multi-year grant from CGC is helping to support and expand programming for the entrepreneurs the organization serves. Currently, it has the proper staffing and programmatic capacity needed but cannot afford to bring part time positions to full-time or pay its contracted instructors/coaches to facilitate additional programming. The demand for Sunshine Enterprise's programs (serving rising entrepreneurs in disinvested neighborhoods) has consistently been higher than its bandwidth for providing services and has steadily increased since its inception in 2013. In 2020, the organization experienced an overwhelming spike in demand in addition to acute needs among its entrepreneurs, which it met to the best of its capacity. The organization also received emergency funds from partners to bolster Business Acceleration Services and launched a micro-grant program and benevolence funds.



## Leadership & Organization Health

After starting the organization almost 10 years ago, Joel Hamernick is stepping away from his role as Executive Director at Sunshine Enterprises. Until recently, Joel was also the President and Executive Director of the larger parent organization, Sunshine Gospel Ministries. While he is stepping away for family purposes, he is the leader responsible for making Sunshine Gospel Ministries and Sunshine Enterprises both high-functioning and innovative institutions.

Stepping into the role of Executive Director at Sunshine Enterprises is B.J. Stewart. Sunshine Enterprises hired a search firm to ensure the right person was placed in the position and after considering over 100 applicants, an offer was extended to B.J. Prior to accepting the ED position, B.J. served as Chief Operations Officer at Urban Impact in Seattle, WA. There, he worked to break the cycle of social, material, and spiritual poverty and build healthy communities. B.J. also has expertise in organizational operations as well as culture and team building. These experiences, in addition to his entrepreneurial career history and having roots in the Midwest, put him in a unique position to lead Sunshine Enterprises into a new phase.

## Mission Alignment

Sunshine Enterprise's work aligns with CGC's mission, which is made apparent through direct service offerings provided to entrepreneurs in marginalized communities as well as the organization's innovative and responsive nature. These communities suffer from high degrees of racial and economic segregation, spurred by a lack of social networks. In these neighborhoods, residents often make their way into the shadow economy. Nationally, the shadow economy is estimated at 12% of the GDP, or 2 trillion dollars. For the larger Chicago metro area, it translates into more than 60 billion dollars in annual, off-the-books activity. Unless the leaders in these communities are cultivated, the fullest potential of a healthy economy will remain unrealized.

## Additional CGC Value-Adds

- Partner directly with Executive Director, Managing Director of Operations, and Director of Major Gifts to co-create a performance dashboard to articulate and measure performance indicators over the next three years, including programmatic outcomes as well as organization and infrastructure growth opportunities
- Facilitate introductions between prospective partners, funders, and other key stakeholders
- Appoint CGC member as grantee liaison to work with organization staff to identify volunteer and engagement opportunities for members to partake in and determine where CGC members can deploy knowledge and resources, as appropriate. Examples:
  - Guest speak during Community Business Academy (CBA) session
  - Provide office hours to work with SE alumni entrepreneurs on business challenges
  - Facilitate a topical workshop

# Thank You to Our Inaugural Members

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Thank you to all our CGC members! Without your dedication and commitment, this first year of grantmaking would not have been possible.

- Girisha & Sarah Chandraraj
- Amy & Brian Hand
- Eric & Kara Meizlish
- Chewie Quek
- Diane & Paul Rand
- Jeff & Lisa Rosenkranz
- Mark & Tricia Rothschild
- Jim Streibich
- Erik Severinghaus & Dana Popish  
Severinghaus
- Haley & Lawrence Tanzman
- George Houlihan & Joyce Winnecke

# CGC Fund Summary

Actuals as of November 29, 2022

Contributions	\$294,188.28
Issued Grants	(\$200,000.00)
Dividends/Interest	\$1,692.90
Administrative Fees*	(\$1,425.46)
Grants and Program Management Services**	(\$45,705)
<b>Ending Balance</b>	<b>\$94,455.72</b>

\*National Philanthropic Trust charges each DAF an annual Charitable Administrative Fee (CAF), which covers the DAF's operating expenses, including record keeping, annual audits, tax filing, quarterly statements, and other legal and fiscal responsibilities. The annual fee is based on the asset value in the DAF as follows: Up to \$250K, 0.85%, Next \$250K, 0.70%, Next \$500K, 0.60%, etc.

\*\*In 2022, two CGC co-founders privately funded the grants and program management services, which totaled \$45,705. In subsequent years, program fees may be paid by the membership.

## Staff

**Julie Hoffmann - Executive Director**  
julie@chicagogivingcircle.com

**Grace Willig - Program Officer**  
grace@chicagogivingcircle.com

To learn more about The Chicago Giving Circle, visit:

[www.chicagogivingcircle.com](http://www.chicagogivingcircle.com)