

# NYC Charity Crowd

A democratic, crowdsourced charitable foundation for New York City residents

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## ABSTRACT

NYC Charity Crowd is intended to be a local, crowdsourced charitable foundation which would be managed democratically and online by its members. Membership would be free of charge and open to all adult residents of New York City, including those in need. The foundation would provide a web-based platform for its members to nominate, discuss and vote on monthly grants. The software will be free and open source, and released under the GNU General Public License for other, similar local foundations to use.

## CCS CONCEPTS

• Computer supported cooperative work • Crowdsourcing • Social networks

## KEYWORDS

Collective decision-making, Platform cooperativism, Crowdfunding

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## Introduction

With traditional philanthropy, charitable foundations may employ individuals or small teams to research charities in order to determine which ones to fund. Crowdsourced philanthropy would involve a large number of people working cooperatively

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to accomplish this task. While a small team of experts might be able to achieve more depth in their research, a significantly larger group, a “crowd,” might be able to achieve more breadth by identifying smaller charities that might otherwise be overlooked.

A local, democratic, crowdsourced charitable foundation could provide a platform for its members to discuss, research and fund charities that are addressing the issues that are most important to them. Keeping the foundation local is intended to preserve a sense of community and shared purpose. In this case, foundation membership would be limited to New York City residents.

A note of caution: democracy is never perfect, and the founders of the United States were wary of direct democracy. A misinformed populace can do more harm than good. The legal structure of the foundation and the technical structure of the platform would be crucial to achieving this cooperation, and to prevent chaotic or reckless behavior.

## 1 The Foundation

NYC Charity Crowd is intended to be the first democratically-managed, bottom-up charitable foundation.

### 1.1 Structure of the Foundation

Authority over the foundation would be vested in its membership, which would meet continuously on the foundation’s website. Membership would be open to all New York City residents over the age of eighteen, who would have the opportunity to nominate and vote for established, local charities to receive funds. The Board of Trustees would be elected democratically by the membership on an annual basis, and would be responsible for maintaining the website and otherwise supporting the membership.

### 1.2 Distribution of Funds

Twelve percent of the foundation’s endowment would be donated to charity each month, as determined by the membership. Each member would be allowed to nominate one charity to receive funding per month, and to vote on up to five

nominations per month. Funds would be distributed proportionally: each nomination would receive a score determined by the yeas votes it received minus the nay votes. The score for each nomination would be divided by the total number of yeas votes minus the total number of nay votes. The resulting proportions would then be used as the respective percentages of the monthly allocation. Nominations with more nay votes than yeas votes would receive a score of zero and would not be included in calculating the total.

### 1.3 Comparable Initiatives

**1.3.1 Giving Circles.** The foundation most closely resembles a giving circle, where individuals pool their money together for charitable purposes, and decide as a group where the money should go. According to a 2009 study from the Forum of Regional Associations of Grantmakers, The Center on Philanthropy at Indiana University and The University of Nebraska at Omaha, “[g]iving circles influence members to give more,” “[g]iving circles influence members to give more strategically,” and “[g]iving circle members are highly engaged in the community.” [1]

The foundation differs from a giving circle in that membership would be open to all adult New York City residents, not only donors, and in that it offers a platform for members to congregate virtually online to make decisions. However, it is expected to have the same major benefits of a giving circle.

**1.3.2 Participatory Budgeting.** The second initiative that informs the foundation is Participatory Budgeting. According to the New York City Council [2]:

“Participatory Budgeting (PB) is a democratic process in which community members directly decide how to spend part of a public budget. The process began in Porto Alegre, Brazil in 1989... This year in New York City, 33 Council Members are asking residents how to spend at least \$35 million in capital funding. PBNYC enables New York City residents to propose and vote on projects in their City Council districts. Projects that receive the most votes during a nine-day Vote Week are adopted in the City’s fiscal year budget and implemented by city agencies.”

## 2 THE SOFTWARE

The membership would meet virtually on the foundation’s website, which would provide the software for nominating, discussing and voting on recipient charities.

### 2.1 Overview

The software [3] will be free and open source, and released under the GNU General Public License for other, similar foundations to use. It will be written in PHP, using the Symfony framework. PHP was chosen because the LAMP (GNU/Linux, Apache, PostgreSQL and PHP) web application stack would make it relatively simple for other foundations to deploy the software to

the web, and Symfony was chosen for its security features and for its ability to scale in terms of application complexity.

### 2.2 Interface

The primary interface of the software will be the nominations page, which lists current nominated charities for the month, including buttons for members to vote “Yes” or “No” for each one, as well as the current allocations for each charity as described in section 1.2. Figure 1 depicts the proposed nominations page. The results for votes from prior months will also be available, without vote buttons.

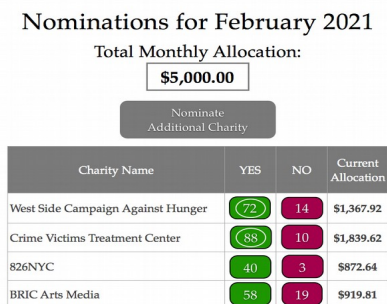


Figure 1: Nominations page, depicting a list of nominated charities, with vote buttons (including vote counts) and current allocations for each.

Members may also click on a particular nomination for closer inspection, and to comment on or to read prior comments on the nomination. Figure 2 depicts the proposed nomination details page.



Figure 2: Details page for nominated charity, with vote information and comments.

Members will be also able to nominate charities to receive funds for the month via a simple form which collects the name of the charity, and any comments the nominator wishes to make about the charity. The charity will be validated against a database of established, local charities, and the mission

statement of the charity and links to relevant information about the charity (e.g. recent IRS filings) will be included automatically on the details page for that nominated charity.

### 3 Conclusion

A local, online, democratic charitable foundation could have several advantages over a traditionally managed one. Through the independent research of individual members, the platform could raise awareness of and funds for smaller local charities that might otherwise be overlooked. Membership could include individuals in need who would have a say in how charitable funds are disbursed. At the same time, it could provide a social platform for residents to raise issues they are concerned about, through the medium of philanthropy.

### REFERENCES

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