

# Giving by the People, for the People

When **Mari Kuraishi** grew disillusioned with her coveted career at the World Bank, she took a chance and launched a new method of online citizen philanthropy.

BY LESLIE HEILBRUNN



A decade ago, Mari Kuraishi believed she had an ideal job at the World Bank. “You flew the Concorde to Europe, and ministers of finance would give you the time of day,” reminisces Kuraishi. But that all changed when she met three middle-aged women from a small town in Uganda in January 2000.

The women had come to Washington, DC to compete against 200 others to win a portion of a \$3 million pot of seed money the World Bank was offering for innovative ideas to fight poverty. They dreamed of setting up a microfinance project for poor pregnant women to get prenatal vitamins from their local clinic. “These women came to the bank, and they were ashamed because their materials were all handwritten. This was compared to NASA guys who were competing with beautiful infra-red photographs,” remembers Kuraishi. But then they started telling their story—and their project was one of the winners!

When the Ugandan women ran up the steps to accept their award, they were dancing and singing. “The emotional impact these women delivered reminded me of what I came to the World Bank to do,” says Kuraishi. But it also made her realize how removed her job as a bank worker was from real people on the ground. “The last loan I managed for Russia was \$1.2 billion,” she says unfazed. “But I had this suspicion that the majority of those funds went to line the pockets of Russian bureaucrats.” After the competition, Kuraishi thought, “My God, if I only had some of that money and could distribute it among ladies like this. Just imagine how much good we could have done.”

Nine months later, in October 2000, she and a colleague, Dennis Whittle, left the World Bank to start GlobalGiving, an online marketplace of grassroots projects in developing countries that are in need of funding. The idea was that people who had money to give could find trusted and

fully vetted projects on the website and could be more directly connected to their philanthropy.

The dot-com boom was in full swing, and venture capitalists were throwing funds at anything and everything online, including charitable efforts. Kuraishi and Whittle were confident that their leap of faith would quickly find backing. They got their first offer of \$3 million just a few months later, but the two thought the terms wouldn’t give them the leeway they’d need to build a successful business, so they turned it down. Then the dot-com bubble went bust.

For the next year, Kuraishi and Whittle worked for free, paid for the office they used and their sole employee out of their own pockets, and did just about everything on the cheap as they searched for funding. “We would think, geez, \$3 million! I can’t believe we passed it up,” says Kuraishi. “There were many times we felt like quitting.”

Many suggested that Kuraishi and Whittle turn to foundations. “We had no idea what we were doing,” insists Kuraishi. “One of the things about the World Bank is that it teaches you a lot of skills—but asking for money is not one of them.” So they winged it and used any opportunity they saw to draw support.

In 2002, once the beta version of GlobalGiving’s website launched, James Fallows, a writer for the highly regarded magazine *The Atlantic*, called them “the eBay of philanthropy” in a short article. Kuraishi and Whittle then heard that the founder of eBay, Pierre Omidyar, was speaking at George Washington University. They took the chance. “Dennis managed to catch him after the talk to discuss what we were doing and he goes, ‘Well, that sounds just like eBay!’” He gave them \$100,000. GlobalGiving was officially on its way.

But in the last six years, the company has moved in fits and starts. In 2003, they scrapped their beta version website because it was ahead of its time. “It was incredibly dynamic. It allowed you to chat and connect with donors and project leaders when social networking was not on anyone’s mind,” says Kuraishi.

They also converted the debt they'd incurred into equity, which was painful but opened the door for significant investors, like the Skoll Foundation, to inject the company with funds.

Since then, GlobalGiving's growth has doubled every year. The company takes 10% of project donations and also earns money creating customized websites for companies like Nike. "But it's not been a straight line," warns Kuraishi. "Our cash flow was never that high for us to

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feel really secure that we had a year's worth of funding." There have been three times that senior management had to give up their salaries in order to make payroll for the other 17 people on staff. And last year revenues only covered a third of the company's cost (donations made up the difference). "The promise we've been making is that we will one day be self-sustaining," says Kuraishi. And while the economic downturn has thrown a wrench in their hope that this would happen in the next two or three years, she feels confident it will, indeed, occur—and that GlobalGiving's current funders are committed enough to its work to help until that happens.

Kuraishi and Whittle started GlobalGiving because they saw that there was a huge, pent-up demand of legitimate community activists doing great work at the grassroots level who were



**GlobalGiving.com** allows donors to find a cause they are passionate about and give directly. But the organization's growth has been anything but a straight line.

not getting funded. While the Ugandan women were their initial inspiration, over the years they have found equally inspiring projects. "One of the project leaders on our site decided to go on a trekking trip to Nepal, and broke her leg hiking," explains Kuraishi. "She was taken in by this Nepalese village and saw that the girls in this village were being sold into bondage. She decided then and there that she would become the head of an NGO. She raised money from the US and purchased piglets that she offered to the families if they promised not to sell their girls into indentured servitude, which is equal to the same amount of money they would get. She is rescuing girls from bonded labor and working within the community to make it culturally unacceptable."

So as hard as the road has been, Kuraishi and

Whittle are determined to keep at it for one simple reason: They do not want to see the great ideas they help fund fall by the wayside. "We could go back to the World Bank, but it would be like going back to an institution knowing you weren't making a difference," explains Kuraishi. "At the end of the day, we still believe in all honesty that what we are doing right now is the best thing we could be doing for development." ●

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