



# HELPING HAND

Giving Back with Planned Philanthropy



**“YOU HAVE NOT LIVED TODAY UNTIL YOU HAVE DONE SOMETHING FOR SOMEONE WHO CAN NEVER REPAY YOU.”**

—John Bunyan

## INTRODUCTION

Charity. It’s just a 3-syllable word, but it reaffirms the deeper side of the human heart: its innate desire to sacrifice for love’s sake, its selfless acts of improving the lives of others, its humble expressions of caring and compassion. This is where life ought to begin.

We give away what we hold valuable. We relinquish our right to material gain for the sake of others. We exchange our good fortune for the benefit of the suffering, the hurting, the downcast. We give freely to build, to heal, to conquer.

In his first inaugural address, President Abraham Lincoln referred to that intrinsic drive in each of us to connect and to bond with others: “The mystic chords of memory will swell when again touched, as surely they will be, by the better angels of our nature.”

For some reason charity is woven uniquely and deeply into the fabric of the American soul. Per capita giving in the United States exceeds that of any other nation by a nearly 2 to 1 margin.<sup>1</sup>

**The United States today as a whole is considerably more lavish in its charitable giving than earlier generations. Americans in 2016 gave nearly 7 times more (adjusting for inflation) than they did 62 years ago.**

**The increase in giving levels can partly be attributed to population growth. However, factoring in population changes, per capita giving has still nearly tripled from the 1950s.**

Source: Philanthropy Roundtable (<http://www.philanthropyroundtable.org/almanac/statistics/>)

[www.summitws-co.com](http://www.summitws-co.com)

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While charitable giving is a matter of the heart, developing a prudent strategy will ensure your money and efforts are put to good use. Managing your donations requires foresight and an understanding of how market forces interact with charity. Obtaining sound financial advice can help set you on a steady course.

As the economic landscape becomes increasingly more complex and sometimes harrowing, Americans are finding more effective approaches—such as “high-impact giving”—to guarantee their gifts hit the mark.

Carefully designed financial strategies enable Americans holding those heartfelt passions to integrate their visions of giving and their heart-held values into clearly defined directives that provide them with the assurances that they are making a difference in their communities and in people’s lives.

A financial professional can help you develop a successful and targeted action plan. We designed this special report to help you understand how philanthropic planning can help you build a lasting legacy and have a more pronounced impact with your giving.

## WHY IS PLANNING YOUR PHILANTHROPY SO IMPORTANT?

Planning your giving allows you to keep track of your donations and gives you the confidence your gifts are going to worthy causes. The financial market can get clouded by a fog of complicated tax rules and legal hurdles. Careful monitoring and well-devised strategies empower you with the knowledge that your gifts are reaching their intended targets; you can rest easy in knowing you are accomplishing your charity goals when you have a thorough plan in place.

**What is the long-term impact of your giving? Giving responsibly requires discipline and the ability to determine whether your values reflect the mission of a charity.**

### HOW DOES PLANNING YOUR PHILANTHROPY HELP CHARITIES?

Charity and nonprofit organizations depend on the generosity and the good faith of donors. While many organizations devote considerable time and effort to fundraising and marketing campaigns to maintain their budgets, the bulk of donations come from faithful givers who believe in the nonprofit’s cause and share the organization’s vision.

Charity Navigator,<sup>2</sup> an independent nonprofit that evaluates charity organizations, provides donors with the tools and the resources to choose responsible and accountable recipients. Donors can use the site to investigate nonprofits’ financial transparency and percentage of actual giving.

Once you do the homework to choose the charity that fits your vision and that meets your ethical requirements, you can develop an ongoing relationship that will help the organization focus more on its mission as opposed to allotting funds to offset marketing and administrative costs.

Strong, loyal commitments from donors to nonprofits allow organizations to align their budgets more closely with their mission statements.

CharityWatch,<sup>3</sup> an independent charity watchdog group, analyzes nonprofits’ financial reports to uncover spending trends in an attempt to expose abuses and direct potential donors to worthwhile causes.

CharityWatch rates organizations as highly efficient if their administrative, marketing, and other overhead costs fall below 25% of their budgets.<sup>4</sup>

### STRATEGIC GIVING HELPS DONORS AND NONPROFITS

Your donation plan may help nonprofits shift their focus to the principles in their mission statements. Nonprofit leaders who know their revenue streams are flowing strongly and steadily can expand their organizations to help more people or improve their levels of services.

Dedicated giving plans by a network of donors also help lessen the need for nonprofits to sponsor exhaustive marketing campaigns and hold regular fundraising drives. Donors, however, who only respond to mail or cybersolicitations reinforce the often time-consuming and expensive marketing practices of hosting and promoting ongoing fundraising drives, which consume large portions of nonprofit budgets.

Planning your giving lets you determine who and what causes should receive your donations. As the donor, you shape your own picture of conscientious giving as opposed to the large umbrella nonprofits that designate contributions to a variety of charities. An individual plan allows you to create your own charity vision, one that matches your desires.

You may choose, for example, to earmark varying percentages of your donation budget to a church, a shelter, and an education foundation. Under your plan, your giving more accurately reflects your own personal views.

Nonprofits may spend their money on campaigns designed to pull at your heartstrings with emotional pleas. While their efforts may be valuable and endearing, you have to operate within a budget; your aim is to target your donations to the causes that match your passions.

Here are some questions to ask yourself to help bring clarity and direction to your giving strategy:

- What does your pattern of giving reveal about you?
- What charitable causes ignite your passion or grab your interest?
- Have your giving and your gifts been disciplined and focused in one area? Or are they varied and spread across a wider spectrum of charitable causes?
- What motivates your giving? Do you respond to requests or pleas from friends, organizations, or charities? Or were your beneficiaries selected through thorough research and analysis?
- What sparked your interest or stirred your heart to choose who would receive your money? How did you connect with your chosen charities?

Developing a plan for your giving provides you with the assurance that your gifts are going where you feel they'll produce the best impact and benefits. Having a plan in place also establishes a kind of partnership between you and the charity organization. You share a vision of helping with a cause close to your heart.

Giving also has a secondary and more tangible benefit on your taxes. Listing charitable giving during your filing may lower your tax bill.

## PHILANTHROPY ACCENTUATES YOUR PERSONAL VALUES

A giving plan helps define your core values and fortifies your life mission. To determine how, what, and to whom you want to give involves at least some personal reflection to assess your values and your priorities in life.

Philanthropy isn't just about money. The word means to express goodwill to fellow members of the human race; it's also defined as an act done or gift given for humanitarian purposes. Parsing the word from its two roots ("anthro" and "phil") helps to explain the word's meaning: "love of mankind." It means to help people you don't know.<sup>5</sup>

Helping people doesn't always have to take the form of a monetary gift. Volunteering your time, offering your expertise, or sharing your wisdom fits into the category of philanthropy.

Volunteers are people who offer themselves for a service or who perform a service willingly and without pay. Volunteering gives people the opportunity to invest in their communities on a deeper human level.<sup>6</sup> Volunteering helps develop in us a greater sense of pride, satisfaction, and accomplishment.

The act of sharing our time and talents with others elevates us by enhancing our problem-solving abilities, strengthening our communities, improving other people's circumstances, establishing connections with others, and creating opportunities to transform lives on the deepest levels.

### WHERE DOES IT GO?

32% of charity money goes to religion

16% goes to education

12% goes to human services

11% goes to grant-making foundations

9% goes to health

Source: National Philanthropic Trust  
<https://www.nptrust.org/philanthropic-resources/charitable-giving-statistics/>

Making a difference in the world—by volunteering or charitable giving—is as easy as developing a giving plan that regularly sets aside our time, our talents, our efforts, or our money exclusively for the sake of others. Investing in others could never be easier.

## GIVE NOW OR GIVE LATER: WHEN'S BEST?

The timing of your giving is just as important as how much and to whom you give. You may have a lot of options to consider: How often do you want to give? Do you want to include a gift as part of your estate? How do you want to give?

Deciding when you want to give will require that you consider all factors. Consulting a financial professional to analyze your circumstances may help alleviate your concerns.

While periodic review of your plan may help show you a clearer picture of why you give, obtaining professional financial advice may help protect and direct your charity for the desired impact.

Our financial professionals can provide you with the guidance you need to pursue your giving goals.

### GIVING NOW ALLOWS YOU TO

- Participate in charitable activities and manage your donations.
- See the positive effects your philanthropy has on your causes.
- Establish an active culture of philanthropy in your family.
  - Engage with an organization.

### GIVING LATER ALLOWS YOU TO

- Maintain control of your assets as long as you need.
  - Take advantage of potential market growth opportunities.
- Learn over time what charitable interventions are most successful.

## HOW CAN WE HELP YOU PURSUE YOUR GOALS?

As financial professionals, we help our clients develop sound strategies that move them closer to their goals and help fulfill their desire to connect with others on the deepest levels of human experience.

We want to help you formulate your vision into a practical and workable plan. Here are some ways we can help you:

- Explore your values and create a family mission statement.
- Develop a system for giving that incorporates your goals.
- Understand how planned giving can fit into your existing financial strategies.
- Develop your personal legacy and a vision for your family's future.

Working with financial professionals may give you the assurance of knowing you have a plan in place to help meet your needs and goals. We will help you identify worthy and reputable charity groups and organizations by equipping you with the ability to analyze and research nonprofit causes.

## WHAT'S NEXT?

We hope you found this report useful, informative, and enlightening. Exploring the ideas presented here will help protect you and provide you with the satisfaction of knowing your gifts are connecting with the causes you hold dear.

We encourage you to contact us today so that we can work together as a team to incorporate your philanthropic visions into your financial strategies and begin building your charitable legacy.

If you have questions about charitable or financial planning, contact our office today. We'd be delighted to talk with you.

Sincerely,

**Shawn G. O'Keefe**

**Founder | Managing Director | Sr. Wealth Advisor**

## RESOURCES FOR FURTHER READING:

*Inspired Philanthropy* by Tracy Gary is an engaging resource for understanding how to incorporate charitable giving and philanthropy in your family legacy.

## FOOTNOTES, DISCLOSURES, AND SOURCES:

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<sup>1</sup><http://www.philanthropyroundtable.org/almanac/statistics/>

<sup>2</sup><https://www.charitynavigator.org/>

<sup>3</sup><https://www.charitywatch.org/home>

<sup>4</sup><https://www.charitywatch.org/charitywatch-criteria-methodology>

<sup>5</sup><https://www.merriam-webster.com/dictionary/philanthropy>

<sup>6</sup><https://www.nationalservice.gov/serve-your-community/benefits-volunteering>