

Making Your Contributions Count—Creating a Personal Giving Strategy

By Elizabeth T. Becker

Whether you're just starting your first job or are well into retirement, it's likely that you set aside a portion of your income each year for charitable contributions. With so many deserving causes and compelling needs competing for your financial gifts, how do you decide who to help, and how do you guarantee that your efforts will have the greatest possible impact?

Kristina Mayer, Ed. D., has worked in the field of philanthropy for nearly a decade, serving as a program officer for both the Stuart Foundation and the Washington Mutual Foundation, and is now leading her own consulting firm. She is also an emeritus member of Philanthropy Northwest, an organization devoted to supporting both the funding community and grant seekers in a five-state region.

Recognizing that many people make their giving decisions without the level of research and planning that they put into their other investments, Dr. Mayer developed a set of questions and guidelines to help individuals and small businesses create thoughtful and meaningful giving strategies. She also has advice on how to say "no" when the requests don't fit into your plan.

Step 1: Know Yourself

What do you feel passionate about? What are the issues that most interest you or have the biggest pull on your heartstrings? If you're an avid nature lover, you may put environmental issues and wilderness protection at the top of your list. If you're most concerned about humanitarian issues, you may want to focus your giving on AIDs or domestic violence programs. Are there issues in your local community that are important to you, or do you prefer to contribute to groups that work on a global level? Is there an area that has a tie-in to your line of business or to issues or struggles that you or your family or friends have experienced? The bottom line is that you can't contribute to every cause on the planet, so making a choice as to which ones are most important to you personally will be a big step in forming a cohesive strategy.

Step 2: Know Your Budget

Take a careful look at your financial situation. What portion of your income or savings are you able to contribute without putting yourself under too much strain? If you're married, do you and your spouse make joint decisions on charitable giving? If you're thinking about making long-term pledges, is your financial situation secure enough to support them?

Because meaningful giving often squeezes the budget, it is important to set boundaries and plan ahead rather than answering every request that comes your way. Deciding up front just how much you can afford—and choose--to give each year will help you to clarify your strategy. Knowing when you are likely to make contributions is also important: Do you want to give in a measured fashion throughout the year? Or would you rather give at specific times of the year or in response to particular circumstances? And how about the magnitude of the giving? Will you be making a number of small donations or do you prefer fewer but larger gifts?

Your strategy should include both short-term (usually annual) and long-term planning. Setting up your Will so that your assets go to the charities you care most deeply about is an important component of your long-term plan. A simple visit to your attorney with a vision of what you want to have happen in the future can result in some peace of mind and produce some very meaningful bequests to your favorite charities.

Once you have determined what causes you care deeply about and the amount you can give, you are ready to begin to plan your strategy.

Step 3: Create Your Basic Strategy

In creating your giving strategy, you'll first want to decide the basics:

- The type of work you want to support. For example, humanitarian, environmental, political, the arts, education.
- The types of organizations you want to support (small, large; solid, risky; old, new; local, global).
- The number of organizations you want to support (lots of small gifts or fewer large gifts), and
- How you'd like to support the organizations you choose: Do you want to give donations? Give your time? Or give a combination of the two?
- Are you interested in being publicly recognized for your contributions or would you prefer to give anonymously?

Here is an example of how you might set up a chart to plan and track your contributions:

Short-term Contributions

Organization	Giving Schedule	Amount Budgeted	Type of Organization	Size of Organization	Scope of Organization
Red Cross	Yearly	\$100/year	Humanitarian	Large	Nationwide
Children's Fund	One time	\$50	Humanitarian	Large	Global
Nature Conservancy	Monthly	\$120/year	Environmental	Large	Nationwide
College Alumni Fund	Yearly	\$100/year	Education	Medium	Local
Miscellaneous (cookie sales, etc.)	As occurs	\$50/year	Miscellaneous	Small	Local
Annual Total		\$420/year			

Long-term Contributions

College Alumni Fund	Bequest	2% of estate	Education	Medium	Local
Community Foundation Endowment Fund	Bequest	Gift of real estate	Community	Medium	Local

Step 4: Get the Facts

How much do you know about the organizations you're interested in supporting? It's time to begin the "due diligence" process of gathering some basic information. The internet is a great tool in helping you to uncover pertinent information about any nonprofit or public charity stateside or internationally. Two important sites recommended by Dr. Mayer are www.guidestar.org and www.idealists.org. From these sites you can learn about an organization's mission, programs, and finances, including data reported to the government on the IRS Form 990. Annual reports, either in print or on the web, are also an excellent source of information about an organization's activities.

The BBB Wise Giving Alliance (www.give.org) is another excellent tool for investigating national or international charities. It is affiliated with the Better Business Bureau and gives detailed reports on organization's programs, governance, fund-raising practices, and finances. For local programs, your local BBB will also have useful information.

Here are a few questions to pose as you investigate the organizations you're interested in:

- Does the organization clearly state its mission?
- Do the primary programs of the organization fit the mission?
- Are there any testimonials? Is there evidence of the impact of the programs?
- Does the organization share adequate information about its governance? Who provides the leadership? Is there a Board of Directors?
- Are the finances of the organization clearly delineated? Do the numbers add up?

Keep your eye on the percentage of the budget that is spent on fundraising and administration. Does it seem reasonable? You want to be sure that the organization is being conscientious in supporting the programs and policy developments that will advance the causes you care about.

Step 5: Choose How to Contribute

There are many different ways to give. In addition to lump-sum cash contributions, you can choose to spread out your giving by making credit card pledges that are deducted each month from your account, or you can commit to multi-year contributions. Other ways to contribute include securities, real estate, life or remainder trusts, and bequests. Your circumstances will dictate how you give and the most appropriate vehicle.

In a national survey by Independent Sector (www.independentsector.org), it was estimated that 89% of U.S. households make charitable contributions, with an average annual amount of \$1,620. In addition to money, many organizations can benefit from the donation of your time and expertise. The same survey estimated that in the year 2000, 44% of adults in the U.S. volunteered their time. This amounts to about 83.9 million people and 15.5 billion hours annually. If volunteering interests you, call the organization first to find out what its needs are and ask for an appointment to meet with the volunteer manager. Not all organizations are set up to use volunteer help, but many will be delighted to have your assistance.

Step 6: Learn How to Say No (or Yes or Maybe)

We've all experienced the calls and letters requesting contributions, and it can be easy to say "yes" to a request when we're caught off guard. Having a giving strategy will make it easier to handle the requests and will help you keep your giving focused.

Being strategic about your giving means sometimes you will be saying "no" to a solicitation, and sometimes "maybe," and sometimes "yes." Here are some examples of appropriate responses provided by Dr. Mayer:

Saying "no"...

Your organization is doing worthwhile work, but my contributions for this year have already been committed. I'm focusing on the environment and national parks this year. Thanks for your call.

Saying "maybe"...

My contributions for this year have already been committed. If you'd like to send me information on your organization, I'd be happy to consider you when *or if* my budget allows. For now, however, I am committed to my college alumni fund and the local chapter of the Red Cross.

Or saying "yes" to an organization you hadn't planned to give to but your budget allows...

Yes, I'd like to support the local schools with their fundraising. I can commit to \$25 a month for the next 12 months. I would also like to know about volunteer opportunities-- can you help me with that?

Step 7: Fine Tune and Update Your Strategy

Dr. Mayer reminds donors to review their giving plans periodically: "Your giving strategy is not set in stone. It should change and grow to reflect your budget and your interests, as well as the track records of the organizations you're supporting. Set aside time to reflect on your plan and make sure it's working the way you anticipated."

Here are some questions to ask:

- Do I want to increase or decrease the total amount I'm contributing?
- Are there additional organizations I'd like to research and possibly contribute to?
- Are any of my existing contributions not having the impact I'd hoped for? Are the organizations living up to my expectations?
- Is my giving balanced geographically? Do I want to give regionally, nationally, or even internationally?

Step 8: When to Enlist the Help of an Advisor

According to Dr. Mayer, a philanthropic advisor can be helpful if you have a more complex set of issues to consider or just need a sounding board: "If you have larger sums of money to give or would like to set up a donor-advised fund (where you specify what your contributions are used for), you may be ready to seek professional guidance. A consultant can help you in developing your strategy, in providing due diligence in investigating organizations, and in making sure that your funds are used in the way you intended. An advisor can also act as an intermediary if you would like your giving to remain anonymous. Many communities have established community foundations, which can be very helpful to donors large and small."

In addition, a tax advisor or CPA can provide information on the tax benefits of giving at various levels, particularly when dealing with gifts of stocks or real estate. Your financial planner can help you understand the impacts of giving on your overall financial stability and security.

Step 9: Know that You're Making a Difference

Do you ever wonder if your contribution makes a difference? Mayer replies, "Absolutely." As an example, she shares statistics from the Red Cross: In the U.S. last year, nearly eleven million people took Red Cross classes in health and safety, such as CPR and first aid. In Africa, more than 150 million children have been vaccinated against measles since 2001, cutting in half the number of measles-related deaths in children. And in Sri Lanka, Red Cross relief teams and volunteers work six days per week providing emergency supplies and emotional support to up to 1,500 families each day. None of this work would be possible without charitable donations.

Want to find out what activities *your* contributions have been supporting? Many organizations have a wealth of information on their websites. Or call and request an annual report.

Step 10: Inspire Others

Dr. Mayer encourages us to share our knowledge and enthusiasm for giving with friends and neighbors and to inspire them to get involved. Especially important is instilling within young

people a sense of community and sharing, both of time and financial resources. Youngsters who give time and money grow up to be more generous adults.

“Your commitment to giving sets a good example,” adds Dr. Mayer. “Tell your family and friends about your philanthropic involvement. It may be some of the most important information you share. Working together, we *can* make a difference.”

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