

# Strategic Giving with Purpose

By Wanda Colburn and Kent Nossaman of Atlantic Trust

In 2011, 88 percent of all contributions to philanthropic and charitable causes—a staggering \$262.61 billion—came from individuals, bequests or family foundations. In fact, total philanthropic giving in the U.S. now represents two percent of gross domestic product (GDP)<sup>1</sup>; however, many families don't know where to begin when it comes to setting up their philanthropic plan. Or, if they already have a plan, they aren't sure how to put that plan into motion—strategically.

Philanthropy is an important component of wealth planning, whether from a legacy, personal fulfillment, generational connection, or tax-planning perspective. Many times, families start out thinking about the tax-planning element, but are often using that as a way to answer something else stirring in their hearts. For families who begin thinking about “giving back” and who want to make a difference, we encourage them to focus on two key words: strategic philanthropy.

## A higher quality of giving

Strategic philanthropy is similar to intentional asset allocation in that it

requires as much of the giver's brain as it does the bank account. A careful and disciplined approach to philanthropic giving combines purpose, practicality and passion. It can help you increase the effectiveness of your giving, align your giving with what's in your heart, reflect—and protect—your intent as a donor, and respond to changing social and economic conditions. Ultimately, it's about a higher quality of giving, one that really advances the causes and interests that mean the most to you. It goes far beyond just writing a check.

According to Strategic Philanthropy, Ltd., giving with a purposeful strategy starts with becoming an informed giver.

- Seek guidance from issue experts, charitable recipients, and advisors.
- Respond to community and organizational need.
- Collaborate with peer donors.
- Conduct due diligence on gift recipients.

Philanthropy—it's a big melting pot with a wide diversity of resources, personalities, passions, causes, and influences. Think strategically when setting your giving goals.



- Evaluate the impact of charitable gifts.
- Select the most advantageous tools to implement giving.
- Listen and ask questions.
- Look for gaps and strategic opportunities in areas of interest.
- Reflect on personal values and experience to develop a giving strategy.
- Consider your legacy.<sup>2</sup>

## Effective philanthropy: Starting the process

Beginning a strategic philanthropy

# TIPS FOR EFFECTIVE GIVING

By Sarah Harrison, Deputy VP,  
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## The Role of Philanthropy in Your Life

Tax season, especially during a year in which the charitable giving deduction is being scrutinized, offers us the opportunity to contemplate the role of philanthropy in our lives. While we know that being philanthropic offers far more than a tax deduction, we're curious about what it means to you. Here's what some of our donors have told us they receive from being involved in the philanthropic sector.

### “I learn so much.”

Giving and volunteering are indeed

educational. When you connect with a cause or an organization, you have the opportunity to learn about what is happening in the community. You also learn how to make a difference. For example, when you work with organizations helping the homeless, you learn the causes of homelessness, the services available to help those facing homelessness, and the best ways to promote self-sufficiency.

### “I like to get involved.”

When you give both your money and your time, your experience is deeper and so is your impact. One donor relates the story of

program means devoting time to research, due diligence, listening, and asking the right questions—of the recipient, as well as yourself.

**STEP 1:** Determine why you want to give and what criteria you will apply to your specific giving decisions. Eli Broad, a wealthy and involved philanthropist, applies three key questions to the philanthropic “investments” he makes: (1) Would it happen anyway?—If it’s going to happen anyway, then he doesn’t make the investment; (2) Will it make a difference 20 or 30 years from now?; and (3) Is there talented leadership that can really make it happen? If the answer to these last two questions is no, he doesn’t “invest.”<sup>3</sup>

**STEP 2:** Spend time talking with family members and really thinking about what you want to accomplish. This is especially true if you intend to begin philanthropy as a multi-generational focus within your family. Once you’ve determined what you want to accomplish, take action.

**STEP 3:** Try to develop new and creative responses to issues. It’s only being realistic to recognize that much of what has been done in many issue areas—social services, hunger, education—has failed on a broad scale. But tremendous amounts

of good—and good progress—are being realized every day with a strategic approach to philanthropy that includes powerful, innovative tactics.

**STEP 4:** Remember that successful and effective giving doesn’t happen overnight. There’s a learning curve necessary to really give intentionally, not accidentally. You must also let yourself be flexible enough to respond to changes in needs—both in your own community and in broader society.

A philanthropic advisor can help you become more aware of your own interests and values and start you on the path to discovering and embracing your philanthropic passion. A well-coordinated plan for philanthropy can accomplish many things for your family: instilling values and traditions; maintaining family ties; deepening social consciousness; increasing personal fulfillment and developing skills; knowledge, and awareness.

*This article is provided by Atlantic Trust and is for informational purposes only. The opinions expressed are those of the author, are based on current market conditions and are subject to change without notice.*

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NOTES

<sup>1</sup> <http://www.nps.gov/partnershipsfundraising.htm>

<sup>2</sup> Being an informed philanthropist is made even easier by Strategic Philanthropy, Ltd. Visit their website for donors, [www.giveconfidently.com](http://www.giveconfidently.com), and click on “Informed Philanthropy.” Strategic Philanthropy, Ltd., is a global philanthropic advisory practice based in Chicago, serving clients worldwide. The firm works with individuals, families, and closely held and family-owned businesses, helping them plan, assess and manage their charitable giving.

<sup>3</sup> *Chronicle of Philanthropy*, November 27, 2012: <http://philanthropy.com/blogs/the-giveaway>.

asking the beneficiaries of an organization serving immigrant day laborers what they needed to improve their situation at the agency. The answer? Lockers...a place for workers to store their belongings while they were out on the job. The direct connection to the people served made this particular gift more meaningful to the donor, and more helpful to the recipients.

**“It expands my network.”**

Engagement in charitable work introduces you to people and programs you might not otherwise encounter. You meet like-minded people who care about an

issue and are willing to work to improve it. When you serve on a board, you interact with people who have similar passions but different skills. When you work in a community garden, you meet neighbors interested in building a stronger neighborhood. Working together for a cause of mutual interest is especially impactful for families who want to engage their children in activities that help others and stretch their connections beyond their immediate, comfortable friends.

**“It changed me.”**

Getting involved in the community

changes the community, and it transforms you. When you learn more about an issue, you may change your opinions. When you learn more about solutions, you may change your behavior. When you feel part of something bigger than yourself, you may change your perspective.

If you’re willing to share what philanthropy means to you, please send us an email at [givelistens@denverfoundation.org](mailto:givelistens@denverfoundation.org). And if you want to explore new charitable activities with your loved ones, please call The Denver Foundation Philanthropic Services Department at 303.300.1790.