

How to Be an Effective and Creative
Micro-Philanthropist!

**A POCKETFUL OF CHANGE:
Organize Your Small Charitable Gifts for Big Results**

by Gail R. Shapiro

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An illustration on a blue gradient background. At the top, a hand is shown dropping a stream of colorful coins (blue, green, yellow, orange) into another hand at the bottom. Several butterflies in various colors (orange, pink, purple) are scattered around the falling coins. The title 'A Pocketful of Change' is written in a dark blue serif font across the middle.

A Pocketful of Change

Organize Your
Small Charitable Gifts
for BIG RESULTS

GAIL R. SHAPIRO

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Big Results

by
Gail R. Shapiro

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Introduction:

You Can Be a Philanthropist – At Any Income Level

You are busy, generous by nature, and want to do good. You care about social justice and about preserving institutions important to you, your family, and your community. You want to solve pressing personal, family, neighborhood, or worldwide problems. You may be interested in working on behalf of a particular population, such as children or veterans or the disabled. Perhaps you feel a bit guilty that you can't do more. At the same time, you definitely want accountability for your charitable gifts of both dollars and time, and want to know their impact. And you likely now make most of your charitable donations in response to mail, social media, or direct personal requests.

For fifty years, I have volunteered for, been employed by, and consulted to dozens of nonprofit organizations in several sectors. I've built a practice advising individuals, couples, families, and business owners on organizing their charitable giving, as well as their homes and work lives. And I've taught many classes and workshops on philanthropy and fund raising. Among the many things I've learned is that most people would like more guidance when it comes to their giving.

If you are one of these people, **A POCKETFUL OF CHANGE** can help you increase the effectiveness of your gifts, and address the many common impediments to giving, by helping you:

- Define your giving goals,
- Identify giving opportunities in line with those goals,

- Evaluate charities' requests for contributions, and
- Ensure that your gifts do the most good for others and for you.

Charitable giving can be much more than simply responding to requests for donations from worthy causes. It can be a way for you to get your ideas heard, express your passions, be creative, and have fun. My personal mission is to help repair and improve the world by fostering thoughtful charitable giving. And while this may not be your mission, I hope you find that taking time to think about and organize your giving will bring you more meaning, satisfaction, and pleasure from the gifts you do make.

The New American Micro-Philanthropist

Have you ever participated in a charity bike-a-thon, supported a friend's new film release through GoFundMe, brought canned goods to the food pantry, served as a leader for your daughter's Girl Scout troop, or helped a local family in need via a Facebook appeal?

Then you are a philanthropist – which actually means “lover of mankind.”

More than 75% of American households make a gift to one or more nonprofit organizations each year. In 2015, the average household gave \$2,974,¹ hardly the huge amount most people connect with “philanthropic giving.” Those who itemized deductions on their income tax return gave slightly more. During the past 50 years, the ratio of “individual-to-other sources” giving has been remarkably consistent: about 72% from living individuals and another 8% from bequests. To put it another way, about 80% of the \$373.25 billion donated in the U.S. in

¹The Center on Philanthropy at Indiana University.

2015² came not from foundations or corporations, but from individuals like you. And these numbers apply only to gifts made to the approximately 1.8 million IRS-registered nonprofit organizations. They are only part of the “wider world of giving,” which can extend to supporting political candidates, trade organizations, or the family in your town whose home was just lost to a fire.

As you can see from these statistics, it’s not just the rich who give. **A POCKETFUL OF CHANGE** is for those who may not have a lot to give, and who want to make the most effective use of their charitable dollars.

Throughout this book, you will see in italics direct quotes from my clients and students, people like you who would like to get more from what they give. Here’s one:

I am continually surprised at how many people donate so much money without having a plan or a vision. I’m not sure they even understand how their gifts will be used, or whether their money is doing what they want it to do.

Beginning to Think Mindfully about Your Giving

By organizing your gifts, you **can** make a difference!

I just graduated, and am now earning enough to be able to do more than pay the rent. I don’t have much to give, so I do want to make my gifts count.

Hearing and seeing all the groups that want me to contribute is extremely confusing and stressful. I don’t know these people asking for money and I don’t know how the money

² *Giving USA 2016: The Annual Report on Philanthropy for the Year 2015*, a publication of Giving USA Foundation, 2016, researched and written by the Indiana University Lilly Family School of Philanthropy.

really gets used. The idea of finally having an organized plan for how I am going to contribute, instead of just handing out dollars and hoping it is of some use, is a tremendous relief.

If your house is like mine, beginning each October, you begin to receive a surge in requests from many different worthy causes. How do you decide which, if any, to support, and at what level? How do you say “no” to causes you don’t wish to or cannot support? Do you tend to give in response to a person, or to a cause? What factors might influence your giving?

As with other aspects of your life, especially your financial life, it is more efficient and more effective to have a goal and a plan, and to stick to it, while allowing some room for flexibility and spontaneity.

When you match your gifts with your goals, not only are you doing good, you also can get enormous satisfaction from doing so. Charitable giving can be a profoundly creative act, nurturing you as well as the recipients of your gifts.

That said, there is nothing wrong – and a lot right – with simply sending checks to one or more organizations whose appeals you get each fall. Potentially, though, there can be much more pleasure in initiating the gift – that is, when you are giving **proactively**, not reactively.

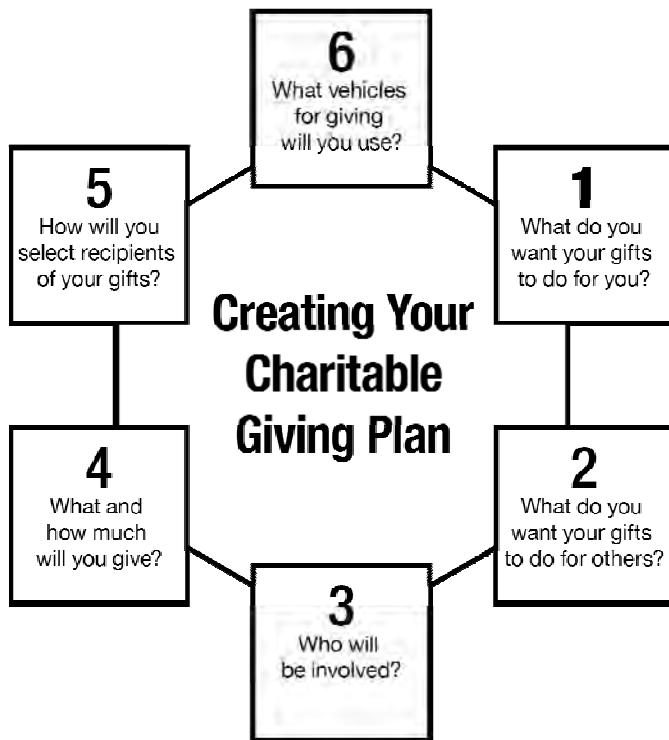
When you give your money and time, you have the freedom to try out new ideas, to do a project your way, without having to listen to those who tell you it can’t be done.

To be sure that even your modest gifts have a major impact, you can create a Charitable Giving Plan, and then review it on a regular basis. How can you begin? Read on.

Part One:
Creating Your Charitable Giving
Plan

*I have found that among its other benefits,
giving liberates the soul of the giver.*

- Maya Angelou



Chapter One: What Do You Want Your Gifts to Do for You?

Your Charitable Giving Plan is an organized system of what, why, how, to whom, and when you plan to give.

In its final form, it may be as simple as a series of notes, the results of the completed worksheets you will find in this book, and/or remembered conversations with your giving partner(s).

Or it may be a more formal outline, a diagram closely matching the wheel on the previous page, or a spreadsheet. Whatever form you use to express it, your Charitable Giving Plan will be as personal as your choices.

To begin, take a look at the wheel. It illustrates the six primary components that you may incorporate as you formulate your Charitable Giving Plan. Please note that thinking about each of these components is likely to inform and reshape your thinking about the others, so organizing your Charitable Giving Plan can feel a bit like doing a puzzle.

As an aid to those who are just beginning to consider creating a Charitable Giving Plan, I've numbered and organized the chapters into what many will find to be a useful sequence.

What do you want your gifts to do for you? This question may seem odd as a place to begin. However, human nature dictates that everyone wants something when they give, whether it is joy from helping others (which makes the donor feel better about him/herself) or the satisfaction of saving money on taxes (which also makes the donor feel pretty good).

A candid appraisal of what you want from your giving is essential as you begin to shape your Charitable Giving Plan. For instance, if your heart's desire is to be thought of as a philanthropist, or to be considered a "big donor" somewhere, then you probably would want to take two specific actions.

One would be to concentrate all or most of your allocated charitable dollars for the year into one large gift. The next would be to choose as the recipient a relatively small nonprofit organization, where a gift of that size would put you in the "inner circle" of donors.

For example, a gift of \$3,000, while very handsome, is unlikely to yield a personal, handwritten letter of thanks from the president of an Ivy League university. However, it very well might get you an invitation to a major donor dinner at a community college or small private school.

If you own a small business, you might seek to increase your visibility, or to encourage employee loyalty, by offering a matching gift program.

Perhaps you crave the thrill of creating and implementing an exciting new community betterment project.

Or just maybe, you want the quiet satisfaction of knowing you truly have changed one life for the better.

“Know Thyself” said the Delphic Oracle, and this applies as well to knowing the type of giver you are. There are two kinds of charitable people: those who work to fight wrongdoing, and those who work to promote good. Once in a while, there is overlap, but most of us fall squarely into one category or the other. And both are absolutely necessary.

As you begin with #1 on the Creating Your Charitable Giving Plan wheel, some of the following ideas from other micro-philanthropists may help to inspire your thinking about what you want your gifts to do for you.

To gain satisfaction for doing good work.

The real estate firm I work for recently established a charitable foundation. All the agents are encouraged to give. We support the Epilepsy Foundation, Children’s Hospital, the local breast cancer coalition, and a shelter for victims of domestic violence, among others. I feel proud to be part of a team that is doing so much for our community.

To earn “brownie points” with boss or family.

It doesn't hurt your career when you show up to support the boss's favorite charity. She even gives us three paid days off a year to volunteer for Habitat for Humanity. I brought my husband and we worked alongside my boss and her son, all of us in blue jeans – quite a change from the culture at the brokerage firm where we work!

To fulfill a religious obligation.

One of the five pillars of my faith, Islam, is zakat, which means both “purification” and “growth.” It is based on the principle that all things belong to God, and it is our job to take care of that wealth. What we own is purified by setting aside a portion for the needy. This cutting back encourages new growth, similar to pruning a plant. Each Muslim personally calculates his or her own zakat. Normally, it is about 2.5% of capital. In addition, we are taught to give as much as possible to sadaqa, roughly translated as “voluntary charity,” preferably in secret.

For tax advantages.

Let's be honest. Even do-gooder types give to charity in part to save from giving it to Uncle Sam. There are not many tax breaks left for us working stiffs.

To give back: “I've done well and now I want to do good.”

I have always been proud that I'm a 'self-made man,' and have been known to boast about that fact once or twice. But my granddaughter has got me thinking about how I went all the way through public schools, used the public library for my studying, attended college on the G.I. bill, and got a start-up

loan from the Small Business Administration back in its very first year. She points out that without the tax dollars of others, I might still be a poor farm boy from Mississippi, shoveling out the horse stalls, instead of owning the largest farm equipment retail store in three counties. So now I'm thinking about giving some of my hard-earned money to try to give a leg up to another scrappy farm kid – maybe a scholarship, maybe a loan to get him started in business.

To promote our business.

We want folks to think well of us in the community where our store is located, so we try to give to as many neighborhood causes as we can afford.

To express my personal philosophy: “I believe that our government should not be in the welfare business.”

I don't give to organizations. I want to see results. So I give directly to people I know who are down on their luck. I figure once they get back on their feet, they can help someone else in turn. If everybody would help their neighbors like this, we wouldn't need all those government handouts. None of that socialist stuff for me.

To be looked up to as a leader in the community.

If I were to be perfectly honest, I would have to say that I choose where and how I give my time and my donations by how useful they are to the growth of my career. Rotary, Chamber of Commerce, the town Business Association, and any industry-related events get first claim on my time and my dollars. Since I've only been out of college for a couple of years, and I'm still new to the business world, I am watching closely how the “big shots” get ahead.

For personal gratification: it helps me feel good.

I get a great deal of satisfaction when I think about the twelve boys and girls from low-income families who got to go to school this year with new backpacks and supplies, thanks to the gift I made to the local “Smart Start” program. I like to think that I’m partly responsible for their academic success, even though I haven’t set foot in a classroom in more than 10 years!

To assuage guilt.

I work in a large city. Every day I have to pass the homeless, sitting out on the sidewalk even in miserable weather. As I walk to my comfortable office, where I earn a comfortable living, I find that what I drop into their cups and buckets is increasingly large. I guess I feel guilty that I have so much and they do not.

To get recognition.

It is important to me as a woman to get recognition for my gifts. When you look at a building at a university or a new wing of the library, whose names do you see there? Men’s. Sometimes women’s – but those are almost always wives and mothers of the men who gave the money. I think women are too humble. We need to start to claim our power through our philanthropy – even if it’s just getting named in the program for giving \$25 to the high school drama club.

To honor or remember a friend, neighbor, colleague, or loved one.

For less than the cost of weekend at the beach community where my brother spent so much time, I was able to purchase a beautiful stone bench facing the ocean he loved so dearly. It

gives me great comfort to see others enjoy the view and to read the inscription with his name.

To improve my own mental health.

When I first got involved with animal rescue work, I was recovering from a serious depression. Having a place to get up and go every day absolutely saved my life. Working to raise money for those poor abandoned pets gave me a reason to go on – a purpose larger than myself.

To be liked by peers and colleagues.

I buy candy bars for the school band uniform drive, holiday wrapping paper from my neighbor's kids for their youth group, daffodils to support the cancer society, and I guess I'm a sucker for every walk-a-thon and good cause that I'm asked to contribute to. I don't particularly need this stuff, but they seem like good causes, and I want to be thought of as a "team player" at work and a good neighbor at home.

To show my outrage.

Immediately after the 2016 presidential election, I felt so powerless, and like there was absolutely nothing I could do to change things. Then I saw on Facebook that lots of like-minded folks began giving very generously to organizations working for progressive causes. Someone even named these "Rage Donations." That expressed my mood perfectly, and I was happy to dig deeper than usual to show my support.

"Insurance."

I make a nice gift each year to the Medical Center. If they ever have to bring me in on a stretcher, I know they'll take good care of me!

To provide a current or future income stream with immediate tax benefits.

The Charitable Gift Annuity I set up with our local community foundation will continue to give me a fixed income each year for the rest of my life. When I pass on, they will use my gift to support the charities I have selected. Plus, I get a tax benefit now, and I avoided the capital gains tax because I donated securities.

To become involved with a community of like-minded individuals.

After my husband of 28 years left me for a woman just a bit older than our daughter, I found great comfort at a support group at the local women's center. I met strong, capable women – including many who had started over again in mid-life – who are working to put women into state and local office. Whether I'm helping to write the newsletter, lobbying at the State House, or raising money for candidates, I feel like my efforts really matter.

To get ahead socially or at work.

Let's face it. If you make the society pages because you are a big donor, people notice you. You have to go to the big events and then network, network, network. I never would have my current job if not for a connection I made through the Symphony.

To salve a pain.

The school department in our town just announced that it will be building two multi-stall, gender-neutral bathrooms at the high school, before the fall semester starts. I knew this would be a burden on the school budget, and that not all

taxpayers would agree, so I quietly wrote a check. It's too late for me, but my hope is that even one transgender teen won't have to suffer the way I did.

To be competitive.

When they ask for gifts for our 25th college reunion, I know I won't be anywhere near the largest donor – hah! But I just want to be sure I give more than my old roommate – who always got the girl, the grades, everything I didn't have – and didn't hesitate to let me know it. Now that I'm doing well enough, I just want to see my name in a category above his on the class donor list!

To have my ideas both heard and given a forum.

I couldn't find any organization in our community doing the work most important to me: developing alternative methods of transportation. Here in our suburban town, everyone gets in their car, usually alone, drives to work or school, and drives home again. My dream is to work with others on creating a free bike system, on improving public transit, and on solar-powered mini-cars – anything other than energy-guzzling private automobiles. So I spent a little money and printed up some flyers and posted them around town. Then I set up a website and announced a meeting for other like-minded citizens. Wow, was I surprised! More than 50 people showed up at the first meeting. We're off to a great start!

To make a bequest when you have no heirs or do not wish to leave (all) assets to heirs.

Collecting antique toys has been my passion for most of my life. I can't imagine that any of my own children would be interested in preserving or expanding the collection; they would sell the whole kit and caboodle before I'm even cold in the

ground. So I have arranged instead to will it to the local museum. That way, I can rest assured knowing my treasure is in good hands. Won't my children be surprised?

To leave a legacy.

My track coach made a big difference in my life. I wanted to give him something with meaning, something lasting. So we contacted the local community fund in the city where I went to high school and set up a donor-advised fund. From the interest, we are able to give a trophy and a \$250 cash prize each year to the student who exemplifies the ideals taught by Coach Burke: sportsmanship, hard work, and team effort. And I get to attend the annual Awards Assembly and make the presentation – what a thrill!

Giving together as a couple unites us with a shared purpose.

My partner and I come from very different backgrounds, and were raised with very different philosophies of charitable giving. When we sit down together at the end of each month, and then again at the end of the year, to sort through all the requests and to decide how to allocate our charitable dollars, we always discover new things about each other. Through our decision-making process, we've learned patience, how to see the other's point of view, tolerance, how to compromise, and even how to find humor in the process. We do not support all the same causes, but there's enough overlap so that we can feel good about ourselves as a couple as well as individuals.

To be perceived by others as generous.

I've got an ego as big as a house. I like to think that in spite of this, I'm a pretty generous guy. But frankly, I feel much better when others know it too!

To teach my children and/or my grandchildren about giving.

We are not a wealthy family, but we think it is very important to involve our children in our philanthropy. On the first day of each month, we hold a family meeting and together decide how to allocate the \$50 we set aside for charity monthly. The older children do research about local charitable organizations, and the younger two participate in saving their good used clothing and toys for needy children. Maybe it's just my imagination, but I really think my kids are a lot less spoiled and greedy than many of their friends.

Because it could be me.

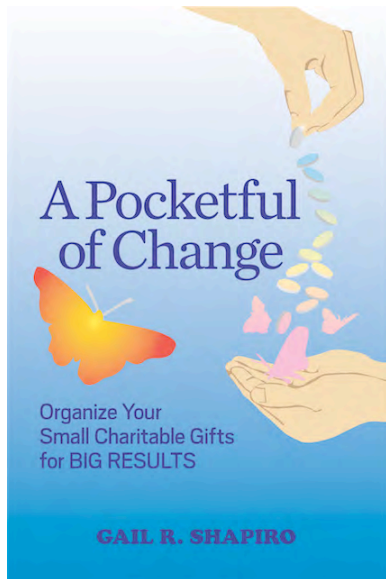
Having been through what I consider to be about an average share of both joys and troubles, I am so grateful to have reached this stage of life with my health intact, a loving family, a supportive community, a roof over my head, and good food to eat. Every day I read the newspapers, and I see things that could just about break your heart: racial discrimination, families losing children to the dreadful opioid epidemic, industrial pollution ruining our rivers and even the air we breathe, not to mention the usual murder, mayhem, and political shenanigans going on. I feel very blessed that, at least for now, I am not suffering, at least not directly. So out of gratitude, I give to the causes that help fight these problems. It's never going to be enough, just one person, but if we all chip in to help, we can at least make a dent.

Your reasons for giving – be they altruistic, a bit self-interested, or, if you are like most donors, a combination of both – are yours (and your giving partners') alone. Understanding what it is you want personally from your gifts will help you as you begin to think about the causes and organizations that are important to you.

Consider:

What do you want your gifts to do for you? Can you identify your “giving personality?” Do you prefer to work for the good, or against the bad? Are you more inclined to work to create social change, or to support and strengthen existing organizations? What do you hope to get from your giving?

You may choose to record your answers to these and the questions following each chapter in a written “giving journal,” on your tablet or computer, or in a note-taking app.



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