



Designing your Philanthropic Legacy – Now & Future

Developing a Personal Philanthropic Plan can help you create more impact with your giving and can also give you more joy in seeing the fruits of your efforts and dollars. Getting clear about your goals and intentions will help you on your philanthropic journey. You may decide to create this plan by yourself or with your family.

Making decisions about where to direct your charitable gifts may be an activity that you are well practiced at or it may still be very new to you. You may have questions about how to start making these important choices. This simple guide will help you begin to think about that process and help you identify what is important to you and explore the range of options available. You'll find additional resources at the end, should you want to explore this more deeply.

Lay the groundwork

In developing a Personal Philanthropic Plan, you may decide to gather a team of professionals to help you determine how much you can give, which assets to give and the method of giving, before you determine which charities you will support.

How much: Reviewing your budget will tell you how much you gave to charity in the past. Do you have aspirations to give more? Would you like to give a percentage of your income or your assets? Working with your Financial Advisor can help you in this process. Together you can review your cash flow, assets and personal goals to help you determine how much room you may have in your budget and life plan to give to charity.

Review tax benefits: Depending on the charity, giving can result in either an income tax deduction or an estate tax deduction. Your Financial Advisor and CPA can help you determine a method of giving that will result in appropriate tax reductions for you, which can affect how much you can give.

Choose which resources to use and your method of giving: Your Financial Advisor, CPA and Attorney can help you decide which assets (not always cash) to give. Some assets are appropriate to give during life and others after death. There are many different methods and tools for giving to charity that can benefit you and your heirs as well as your chosen charities.

Chose your Charities

Start with Why

By starting with why, you can better focus your giving so it is more fulfilling. You might find yourself more engaged and you may be able to better see the impact you are having with your giving. Discovering your why may have you looking at what makes you happy, what is your background, who has helped you along the way, how you would like to pay it forward. *What do you care about?*

Knowing what you value, what you are passionate about, or the change that you'd like to see happen in the world, is the first step in determining how to use your personal resources of money, time and energy. Your charitable gifts are an extension of yourself.

Determine what you value

Directing your giving to areas you value will help you leverage your dollars to the areas you care about most. While most people have a sense of their values, others haven't had practice articulating them. Below is a list of common values. Choose which resonate with you or add your own.

Values		
Acceptance	Fairness	Knowledge
Accountability	Faith	Love
Beauty	Family	Meaning
Challenge	Fun	Opportunity
Collaboration	Generosity	Peace
Commitment	Global view	Preservation
Communication	Harmony	Relationships
Community	Healing	Respect
Compassion	Honesty	Responsibility
Cooperation	Honor	Service
Courage	Independence	Simplicity
Creativity	Integrity	Spirituality
Dignity	Interdependence	Transformation
Diversity	Innovation	Trust
Equality	Joy	Truth
Excellence	Justice	Wisdom

What are your top three values?

- 1.
- 2.
- 3.

Narrow your field

With your whys and values in mind you can further refine your giving plan to areas that interest you. Below is a chart of typical areas of giving. This is not an exhaustive list; there may be other issues or populations that are important to you.

Issue Areas and Populations	
AIDS	Girls
Animals	Healthcare
Anti-Racism	Homelessness & Housing
Art & Art Institutions	Human Rights
Boys	Immigrant & Refugee Rights and Services
Child Abuse	Legal Aid
Children	Literacy
Civil Rights	Medical Reserach
Community Development	Native & Indigenous People's Rights
Community Gardens	Peace
Conservation	Philanthropy & Volunteerism
Corporate Responsibility	Poverty
Disability Rights	Prison Reform
Disaster Relief	Public Policy
Drug and Alcohol Abuse	Reproductive Rights
Domestic Violence	Science & Technology
Economic Justice	Spiritual Development
Education	Sports & Recreation
Elder Care	Sustainable Development
Environment	Women's Rights
GLBTQ	Youth Development

What are your top three issues?

- 1.
- 2.
- 3.

Types of Organizations

Nonprofit organizations tackle community problems and issues in many different ways. This diversity of approaches creates the ability within a community to address immediate need as well as bring about institutional and cultural change to address the root cause of the problem. The different approaches to addressing issues include:

- **Human or direct service** – providing a service to an individual that addresses their immediate concern; this could be food, shelter, clothing, health care, or other need.
- **Advocacy and public policy** - working to create awareness about an issue and its impact and helping to influence public policy that can alleviate the problem or work toward long-term solutions.
- **Empowerment and leadership development** – developing the voice and the capacity of people directly impacted by an issue to be involved in determining how best to solve an issue.
- **Community organizing** – bringing large groups of people together to address common issues.
- **Research** – getting the scientific facts to better understand an issue or medical research to understand and/or find a cure.
- **Legal action** – using the law to protect against or remedy an injustice.

An organization might use a variety of strategies to fulfill its mission. Many organizations working on the same issue will employ different strategies, as they bring their particular strengths and focus to an issue. So don't be surprised to see an arts organization doing community organizing, an environmental group working on empowerment and leadership development, and a human service provider advocating as well as providing direct service.

Ask yourself:

- Is there an approach to addressing community issues that more closely aligns with your values than another?

Determine the breadth of your giving

Once you have determined the areas of focus and the types of organizations that interest you, consider how deeply or how broadly you would like to give.

Contributions to a small set of organizations: Choosing just a few organizations (1-3) that match your values and interests is a very effective way to create impact and build a relationship with those few organizations. By concentrating your giving, you might be able to single handedly meet a particular organizational need. Or you may be able to go in with other donors to address a specific project.

Contributions to a broad range of projects and programs: You might choose to give to a wide range of areas or organizations that satisfies your desire to affect many areas. Giving through a foundation where you have the ability to reach a wide range of organizations and their projects and programs, is a very effective way for you to have a broad reach and impact, as your gift is combined with others that have chosen the same option.

Make strategic decisions about your giving

- How long will you fund each area of interest?
- Do you want longevity to your giving?
- Do you want a time limit?
- Do you want one time giving only?
- Will there be a blend?
- How much do you want to give to each area of interest?
- Do you want to set aside money for future giving – such as a donor advised fund?

Put it all together

The last step is to put it all together. After you've determined how much you would like to give and which charities you would like to support, you can create your Personal Philanthropic Plan.

I/We would like to give in the amount of:

I/We are going to use the following specific income or assets:

My/Our values are:

The areas of focus I/we will give to are:

The types of organizations I/we support are:

The breadth of reach I/we seek are:

Examples:

I plan to give 5% of our income for charitable giving. I care about health care and medical research and my values are innovation and compassion. I look to support organizations working to find cures to the diseases that have touched my family and friends. I intend to concentrate my giving to both research on a national level and providing comfort to those in my local community.

We intend to leave 50% of our retirement accounts at our second death to charity. Our values are integrity, respect and diversity and we care about youth development. We support organizations that work with youth around anti-racism, native people's rights and support for gay and lesbian youth. Community stewardship is important to us. We will look for organizations working where I live.

Other resources for prospective donors

Research – Online resources to research charities:

Charity Navigator - <http://www.charitynavigator.org>

Guidestar - <https://www.guidestar.org/>

Inspired Philanthropy, Creating a Giving Plan, A Workbook by Tracy Gary, Melissa Kohner, Nancy Adess, Chardon Press

Investment Advisory services offered through Birchwood Financial Partners, Inc., an SEC Registered Investment Advisor.

All written content is for information purposes only. It is not intended to provide any tax or legal advice or provide the basis for any financial decisions. Opinions expressed herein are solely those of Birchwood Financial Partners, Inc. Material presented is believed to be from reliable sources; however, we make no representations as to its accuracy or completeness. All information and ideas should be discussed in detail with your individual advisor or qualified professional before making any financial decisions. We are not affiliated with or endorsed by any government agency. The inclusion of a link does not imply endorsement of the linked site by Birchwood Financial Partners, Inc. We recommend that you check the specific privacy policy of any site before providing any personal information.

Birchwood Financial Partners, Inc. does not provide legal advice or detailed tax advice. For complete details, consult with your attorney or tax advisor. The information in this handout is general in nature and does not constitute legal or tax advice or a solicitation of any such service.