

Aspirations: Purposeful Giving

Written by Michelle Thornhill
Wednesday, 05 December 2012 00:00



We've all heard the adage, "the more you give, the more you receive." I believe that most people are willing to give, but uncertain about how to make the most meaningful contributions. It's perfectly fine to give as opportunities arise. However, being proactive about charitable giving allows you to deliberate about how you "invest." That's right, charitable giving is an investment and should be treated with as much forethought as any other investment.

Although my family has always made charitable contributions, I've spent the last few years developing a specific giving strategy for us. Here are the things I considered:

Identify a cause

In deciding where to invest, I began by identifying areas where my family is most *passionate*. Having school-age children, my husband and I are particularly passionate about education. Our goal is to ensure that we prepare our sons academically to compete in a global society. Beyond this, it is also our desire to help as many students as possible achieve success, particularly disadvantaged students.

Whatever your passion, always consider ways to align your charitable efforts with a relative cause/organization.

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Decide what you'll invest

After you identify what you're passionate about, give careful thought to *what* you will invest – time, talent or treasures. When we think of charitable giving, we typically focus on treasures (or money). Thinking more broadly allows you the opportunity to contribute in a way that works best for you, even when you may not have the financial resources.

Are you really good at *doing* something, or are you professionally trained?

Perform services for an organization that they would not otherwise be able to afford.

Select an organization

Once you've decided how you will invest and a cause you want to help, determine *where* you will invest

Whether volunteering or providing financial resources, nonprofits rely on individual contributions.

However, stretching yourself too thin by contributing to multiple organizations might not be as valuable as focusing on one or two to concentrate on. Again, you want to make sure the organization supports a cause that is important to you. For instance, given my passion around education, I decided to search for a local organization that advocates for success in education. I now serve on its board of directors, where I can dedicate my time in a meaningful way.

Research your charity

Giving in any form is a commitment, which is why it's important to know whether the organization you choose is registered and reputable. Several sources evaluate charities and compile findings in an online database of registered organizations (see references below). If you're unable to find a specific charity using these resources, contact the organization directly to request documentation, including: 501(c) (3) status; IRS Form 990; or its most recent annual

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report. For local organizations, or national organizations with regional offices, you can also contact your state government for information.

<http://www.bbb.org/us/charity/>

<http://www.charitywatch.org/index.html>

As you begin to set goals for 2013, make sure creating a giving strategy is on your list.

This article has been prepared for informational purposes only. The accuracy and completeness of this information is not guaranteed and is subject to change. Since each individual's financial situation is unique, you need to review your financial objectives to determine which approaches might work best for you.

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