


## Giving Matters

### TIPS FOR ACHIEVING YOUR PHILANTHROPIC GOALS



Women are changing the world. Seemingly ordinary women, like Phyllis Hanse, a piano teacher who made an extraordinary gift to her home town of Webster, South Dakota — more than \$4 million that will fund scholarships, youth activities, her church and more. Famous women, like Madonna, who established the Ray of Light Foundation<sup>1</sup> which promotes peace and equal rights around the world and supports the Global Fund for Women. And groups of women, like Women Moving Millions<sup>2</sup>, an organization focused on catalyzing resources for programs that advance women and girls. Women throughout the U.S. are increasingly empowered to give because they're earning more, inheriting more, and taking part in more of their family's philanthropic decision-making.

If you are interested in giving, whether it's financial support, your time or expertise, here are some tips for developing a strategy that helps put you in control of your philanthropic objectives.

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## Proactively choose the organizations you'd like to support

**Pick causes meaningful to you.** When you set up a strategy for charitable giving, think about your priorities in life and the causes that are important to you and your family.

**Identify your quit list.** Assess the gifts you've given previously and determine which you felt good about giving and which you did not. It's okay to stop donating to an organization you've supported in the past, especially if you don't think they're effectively using the funds.

## Give strategically

**Consider concentrating your giving.** Typically, women tend to spread their gifts over a larger number of organizations than men, who generally focus on a narrower range of charities.<sup>3</sup> Giving more to fewer organizations can make a greater impact and better affect change in your key areas of interest.

**Don't leave money on the table.** Be sure to take advantage of a matching gift program you or your spouse may have through work.

## Volunteer – it's a win-win

**You'll learn about the organization.** Volunteering will give you a better understanding of how an organization is run and the impact it is making, and may make you feel more comfortable about giving. And if you're like many people, you'll get a sense of satisfaction from becoming directly involved in an organization you care about and connecting with people who share many of the same values as you.

## Non-profits need your time and expertise.

Volunteers are vital to charitable organizations, which need help with fundraising, governance, programming and publicity. And you may have an area of expertise or a skill they need, but can't afford.

## Give carefully

**Make sure the organization you're donating to is legitimate.** You want to know your money is being put to good use by a reputable charity pursuing a mission you support. You can get a lot of information by looking at a charity's Form 990, which is filed with the IRS and has to be made publicly available. The form includes important information like the organization's mission, finances and accomplishments, and is often available on its website. You can also find it on *GuideStar.org*, a third-party provider of non-profit information that keeps records of 1.8 million IRS-recognized tax-exempt organizations.

**Understand how donations are spent.** There are several firms that review charities to determine how efficiently they put donations to work. *Charitywatch.org* grades non-profits on how they collect and use funds, assigning a letter grade of A through F to each. The BBB Wise Giving Alliance, at *give.org*, rates charitable organizations based on a variety of standards, including governance and oversight, measuring their effectiveness, financial management and accuracy of fundraising appeals. *CharityNavigator.org* evaluates charities based on their financial health, accountability and transparency using a star rating system to score them.

## Incorporate your philanthropic strategy into your overall wealth plan

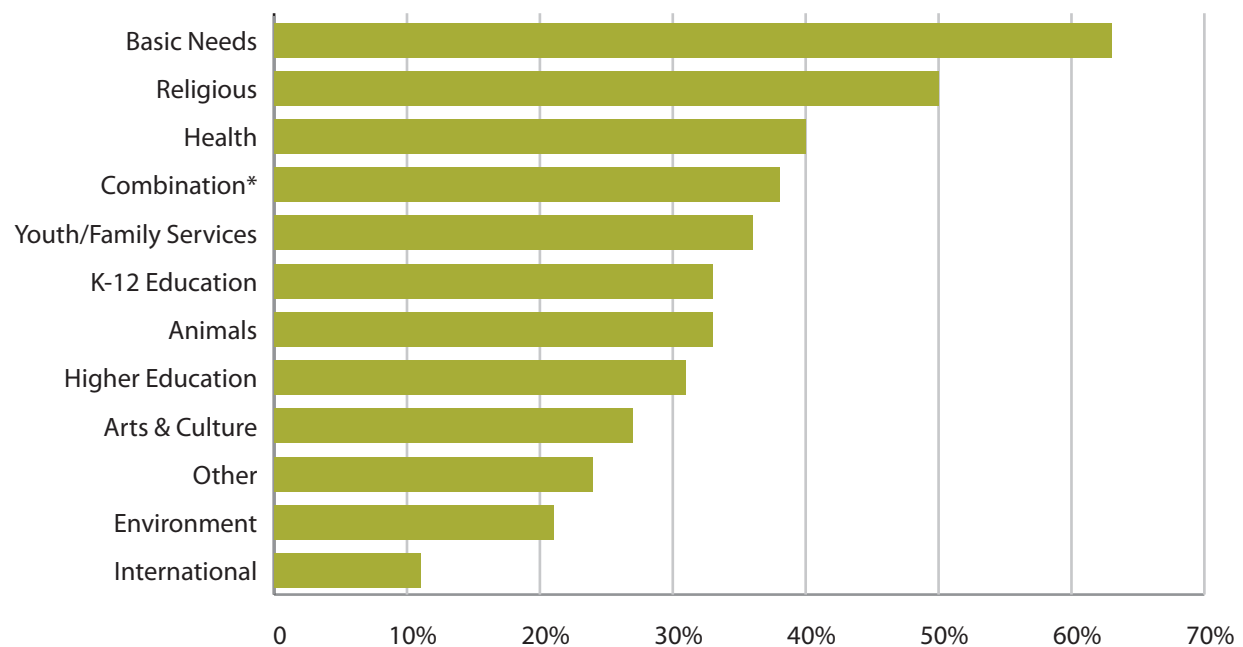
**Set your giving budget.** You need to determine how much you can afford to give. Then, you can comfortably allocate funds to your preferred causes. You'll know when you have to say "no" to a group that solicits your donation over the phone or to a friend raising money for a cause – it's simply not feasible to give to every charity. Explain that "your organization sounds like a worthwhile cause, but this year I'm focusing my charitable giving in a different area."

**Take advantage of tax efficiencies.** A financial gift to a charitable organization can take many forms, each with different tax benefits and outcomes for the charities of your choice. For example, giving highly appreciated stock or investments can be a very successful strategy; not only do you achieve tax savings by not having to pay capital gains tax on these appreciated securities, but it also gives you the ability to make a larger gift because you can use a before-tax dollar amount rather than an after-tax dollar amount. There are a variety of charitable giving vehicles to consider, including a charitable remainder trust, which can generate a stream of income for retirement.

### Where does the money go?

More than 90% of high-net-worth Americans give to philanthropic causes and gave an average of \$25,509 to charity in 2015 as compared with an average of \$2,520 for the general population. A variety of causes benefited from these donations.<sup>4</sup>

#### PERCENTAGE OF WEALTHY HOUSEHOLDS WHO GAVE TO<sup>4</sup>...



\*Combination includes organizations like the United Way, United Jewish Appeal Federations, Catholic Charities USA and community foundations

## Follow these tips and you may become healthier and happier

### **Giving can be good for you...and your family.**

Of course, giving helps the causes you support. But did you know there is truth to the adage, "it's better to give than to receive?"

- Researchers at Notre Dame conducted a comprehensive study of Americans' giving habits, surveying 2,000 individuals over a 5-year period and found a direct correlation between happiness and volunteering.<sup>5</sup>
- Scientists at the Cleveland Clinic found that gift-giving behaviors cause humans to secrete serotonin, dopamine and oxytocin, the "feel good" chemicals in our brains, leading to multiple beneficial health effects including lower blood pressure, increased self-esteem, reduced depression and lower stress levels.<sup>6</sup>

### **Your children may become more charitable.**

Parents who talk to their children about giving increase the likelihood their children will be philanthropic, especially if children see that giving is a regular part of their parents' lives. Shared experiences, like volunteering together at a soup kitchen, are especially powerful and help children become more empathic.

## We can help you make an impact through philanthropy

Luma Wealth will help develop your personalized strategy for supporting the philanthropies important to you and achieving your wealth goals. We have the expertise to guide you through the charity selection process and execute your plan using sophisticated financial solutions that can minimize taxes, maximize donations and leave you feeling good about how you are using your wealth.

**Discover how to benefit from comprehensive wealth planning for women. Call us, toll free, at 866-995-6191, email [info@lumawealth.com](mailto:info@lumawealth.com) or check out our website [lumawealth.com](http://lumawealth.com).**

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<sup>1</sup> rayoflight.org

<sup>2</sup> womenmovingmillions.org

<sup>3</sup> "How and Why Women Give" IUPUI Women's Philanthropy Institute, May 2015

<sup>4</sup> The 2016 U.S. Trust® Study of High Net Worth Philanthropy, conducted in partnership with the Indiana University Lilly Family School of Philanthropy

<sup>5</sup> "Want to Be Happy? Stop Being So Cheap!" (an interview with Christian Smith and Hilary Davidson, authors of *The Paradox of Generosity*), September, 2014, [newrepublic.com](http://newrepublic.com)

<sup>6</sup> "Wanna Give? This is your Brain on a Helper's High" November 15, 2016, [clevelandclinic.org](http://clevelandclinic.org)