chris farrell's sound money guide to sharing the WEALTH

SOUND MONEY

MINNESOTA PUBLIC RADIO mpr

We make
a living
by what
we get.

We make
a life
by what
we give.

Winston Churchill

All across the country, Americans get together to share their concerns and passions, especially when it comes to improving their communities. The philanthropic spirit moves people to support the arts, contribute to their alma maters, construct low-income housing, improve education and tackle all kinds of social ills. America's charities, nonprofit organizations, and religious congregations are remarkably diverse, ranging from small groups of volunteers working out of basement offices to national fraternal organizations with several hundred thousand members to multi-billion dollar enterprises with skyscraper headquarters and global ambitions.

Generosity, whether measured in time or money, is on the rise after stagnating for almost a quarter century following the economic turmoil of the 1970s. Americans gave some $190 billion, or 2.1 percent of Gross Domestic Product, to charities in 1999, according to figures compiled by the American Association of Fund-Raising Counsel. That's up from $124 billion and 1.5 percent of GDP in 1997 (see chart on page 4). Volunteerism is strong, too. Among adults age 18 or over, more than half volunteer their time. In a sense, the nonprofit community is the nation's largest employer with some 109 million volunteers donating an average of 3.5 hours a week.

Charitable Giving Turns Up

Charitable giving as a percent of Gross Domestic Product

Year	GDP
1969	2.1%
1974	1.8%
1979	1.7%
1984	1.8%
1989	1.8%
1994	1.7%
1999	2.1%

Data: AAFRC Trust for Philanthropy

People give for all kinds of reasons. Faith is an especially powerful influence, with almost half of all charitable contributions going to religious organizations. Long-time residents of a community often want to give something back to their area. Political philosophy and business networking can play a role, as well as empathy and self-interest. The health of the economy is also an important factor. It's no coincidence that charitable contributions are increasing during a record economic expansion that has pushed median household net worth to an all-time high of $75,000 and unemployment to a three-decade low of four percent.

Benevolence is a growth industry. The number of foundations has more than doubled since 1980, and close to three-fifths of the nation's large foundations were created over the past two decades. High-tech plutocrats, media moguls and other New Economy merchant princes are establishing foundations at a rapid pace. Among the most notable examples are the Bill and Melinda Gates Foundation, the world's largest foundation with some $22 billion in assets; the $2 billion Soros Foundation funded by legendary financier George Soros; and the $1.3 billion that media magnate Ted Turner has given to the U.N. Foundation and the Turner Foundation. To be sure, charitable giving in Silicon Valley and other high-tech hot spots pales next to the phenomenal creation of corporate profits and individual wealth in the New Economy. Yet the philanthropic impulse is clearly strengthening. The wealthy have not practiced philanthropy on this scale since the turn of the previous century, when Carnegie, Rockefeller and other industry titans transformed their vast fortunes into enormous charitable ventures. Indeed, generosity calculated in stocks, bonds, real estate and other assets could swell dramatically in coming decades. For instance, professors John J. Havens and Paul G. Schervish of the Social Welfare Research Institute estimate that an aging population will collectively leave its heirs at least $41 trillion dollars over the next half century and that a sizable slice of that staggering sum will go to charities and other nonprofits. Schervish believes the U.S. is on the cusp of a "golden age of philanthropy."

Of course, inheritances are highly skewed toward the wealthy. And for all the attention lavished on the philanthropic bent of several hundred billionaires and some four million millionaires, charitable giving is dominated by ordinary people. Individuals go to bake sales, slip coins into an outreach container at the corner deli, and reach deep into their pockets at home and at work to support all kinds of nonprofit activities. Put somewhat differently, 70 percent of households contribute to charity, and the average family gift is over $1,000. People volunteer to mentor inner-city entrepreneurs, run soup kitchens, answer phones during a fund drive, and participate in community improvement projects like Habitat for Humanity.

What's more, the "democratization of finance" is spreading to the charitable world. Over the past two decades, a money revolution has transformed personal finance. Credit cards, mutual funds, online trading, 401(k)s and Roth IRAs are only a few of the many innovations that have created greater financial choice for millions of people. "The financial markets were once the province of the wealthy, and they're not anymore; they belong to all of us," writes Joseph Nocera in *A Piece of the Action: How the Middle Class Joined the Money Class.*

The same force is at work in philanthropy. No longer do you have to be an Andrew Carnegie or a Henry Ford to set up a foundation. A growing number of mutual fund companies offer charitable gift funds, typically with a $10,000 minimum, that share many characteristics with family foundations. With over half of American households owning stock either directly or through mutual funds, more middle-income people are donating appreciated stock. There has been a proliferation of sophisticated techniques geared toward allowing well-off families, and not just the very wealthy, to make meaningful charitable contributions with significant estate planning benefits.

Individuals express their values in many ways. Some carefully watch the products and services they buy so their dollars go to companies with religious, environmental, labor, diversity or promotion policies they support. Others believe they can bring about a better world with their savings. The assets invested in socially responsible mutual funds have soared from $162 billion in 1995 to more than $1.4 trillion in 1999, according to the Social Investment Forum, an industry research organization. There is also charitable giving. This guide is designed as an introduction to the major options available for giving money away.

When it comes to personal finance, values should come before money, before budgets, before calculations and before products. To be sure, personal finance ends with managing money well, but it begins with thinking about values and passions. Personal finance is putting money behind the question, "What really matters to me?" For instance, exploring what you want to do during your retirement years is as important as funding a retirement savings plan.

The same holds true with charitable giving. It should be treated as a core part of any long-term money plan, much like saving for your children's college education. "The best thing to do when you're creating a charitable plan is to develop your own strategy just like you do with other parts of your financial plan," says Ross Levin, a certified financial planner and president of Accredited Investors, Inc., in Edina, Minnesota.

After all, the goal is not to donate money to a charity.

It's to make a difference.

Simplicity is an under-appreciated virtue in personal finance. There is no substitute for marrying common sense and simplicity when it comes to money. Still, sophisticated products that are creatures of tax law, investment trade-offs and estate planning rules currently dominate the charitable giving industry. The jargon is often impenetrable, the rules are complex, and any missteps are financially costly. These high-finance techniques should only be undertaken with professional advice, probably from several people with complementary expertise.

Taking time to think through your choices ensures that your efforts to build a better world don't go to waste.

Your charitable giving will probably evolve over time. Focus on thinking systematically about your donations and on incorporating your charitable impulses into an overall financial plan. Remember, there may be other pressing priorities on your time and money, such as raising children or caring for aging parents. Plus, your concerns and worries may change over the years as different social problems develop or you decide to focus on other interests. After all, the goal is not to donate money to a charity. It's to make a difference.

The list of community needs is long and troublesome, from literacy to affordable housing, from orchestras to art museums. Taking time to think through your choices ensures that your efforts to build a better world don't go to waste.

Research Your Choices

Many of us give money away haphazardly, moved by a disaster, a heart-wrenching appeal, or the lure of a last minute tax deduction. But it pays to take a more systematic approach toward giving, since with planning your money will go farther and have a bigger impact. Spend some time asking basic questions. Why do you want to give? What kind of good works do you value most?

Once you've hit upon a mission or approach, you'll want to research the possibilities for giving. You want reassurance that a charity is legitimate. You'd like to judge an organization's effectiveness in fulfilling its mission. You'd also like to know that your hard-earned donations are going toward the targeted cause and not to support management's lavish lifestyle.

The Internet makes that task easier than ever. Public charities are now required to make their tax returns (IRS Form 990) easily available to potential donors. Every day, another charity posts this information on its web site. You can also go to one of the online portals dedicated to gathering as many 990s as possible, such as Guidestar. The information isn't easy for an outsider to decipher, but it is a start. Perhaps more importantly, publishing tax returns online is part of a larger movement to make nonprofit finances more transparent.

Several watchdog groups are available to help narrow your choices. For instance, the National Charities Information Bureau and the American Institute of Philanthropy promote informed giving and subject many charities to a rigorous review. The Better Business

Bureau has long kept a close eye on nonprofit organizations. All these watchdogs highly prize financial openness among the charities they follow and reassurance that donations aren't being eaten up by steep administrative expenses or cozy insider dealings.

A common consumer-oriented yardstick is that a nonprofit should put 75 percent or more of the money it raises towards program costs. Financial ratios like this are useful in vetting a charity. But, much like a stock's price/earnings ratio, a financial ratio is only an indicator for further research and shouldn't be applied too rigidly. For example, a new charity may have steep start-up costs, or an organization may run a deficit while tackling an especially ambitious set of goals.

One of the most effective ways to learn about charitable organizations is talking to friends, neighbors, and colleagues. What charities do they support? How do they decide what nonprofit organizations to back? Do they have any suggestions or referrals for further conversations? You can gain a lot of knowledge through networking.

How Much Can You Give

Individual giving typically hovers between 1.5 percent and two percent of income. Some people give much more, adhering to traditional biblical tithe of 10 percent, while a wealthy minority regularly donate not only part of their income to charity, but also a portion of their assets. Indeed, by some reckonings the very well-off could afford to substantially hike their charitable contributions. The Newtithing Group, a San Francisco-based research organization founded by investment manager and philanthropist Claude Rosenberg, estimates that individuals could have increased their charitable giving by $244 billion in 1999—they gave $143 billion—without any reduction in personal living standards. Newtithing's calculations assume that almost all the increase would come from the three wealthiest tax brackets.

Still, the point isn't how much can you give, despite the recent obsession with big numbers. The answer can vary tremendously from household to household, depending on income, job security, stage of life, financial responsibilities toward children and parents, and personal values. It's far more important to incorporate charitable giving thoughtfully into money habits and lifestyle goals than to worry too much about how much is enough.

A critical question is how active you want to be with your giving. Many people write checks to their favored institutions or participate in payroll deduction plans at work through such programs as United Way. They may volunteer some time with a favorite organization—say, delivering food during the holidays or donating their professional expertise during a fund-drive. But there are opportunities for greater involvement and a more intensive time commitment. You can volunteer to take responsibility for an ongoing project or even join a board.

Donating Cash and Stock

Uncle Sam rewards your charitable impulses. You can deduct your cash contributions to charity up to 50 percent of your adjusted gross income. For example, if you give $1,000 to the neighborhood homeless shelter and you are in the 31 percent tax bracket, you get an income tax deduction of $1,000 for a tax savings of $310. You can carry forward into the next tax year any contributions over the limit. The tax deduction for gifts of real property, such as stock, is 30 percent of your adjusted gross income. But you can augment that 30 percent in stock with 20 percent in cash since the overall ceiling is 50 percent. Doing good is tax-savvy.

You cannot take an income tax deduction for the value of your volunteer time. But you can deduct expenses on work done for a charity. For example, when you drive or take the subway to volunteer at a hospice, some of the transportation cost may be deductible. Just keep a written account of your driving mileage or any receipts. For tax purposes, you should keep detailed records of any monetary contributions or donations of clothing, household appliances and other goods to charity.

Many individuals write checks to charity. It's convenient and makes for good records. However, in recent years giving appreciated stock instead of cash has grown in popularity. The stock market has gone mass market, thanks to the rise of self-directed retirement savings plans and the remarkable surge in equities over the past decade. In addition, millions of workers, from top executives to rank-and-file employees, get at least part of their compensation in stock options. More than half of U.S. households own stock directly or through a mutual fund. Stocks comprise about a quarter of all household assets, a sharp increase over the eight percent level calculated as recently as 1984.

The advantage of giving stock is simple: The charity gets a donation at a cheaper cost to you than if you sell the stock first and then give cash. The stock you donate should be a long-term capital gain asset. In other words, you should own the stock for 12 months or more to claim the full fair market value deduction. Otherwise, you may deduct only your original cost basis or purchase price.

Here's an example: Let's say you'd like to donate money to a charity, and you have some stock that has appreciated over the past several years. For our example, you own 100 shares of Sound Money Inc. worth $50 a share, or $5000. You bought the stock two years ago for $1,000, so you come under the long-term capital gains rules. You're in the 36 percent income tax bracket, and, to keep this example simple, we'll only assume federal taxes (see table on page 14).

Here's how the numbers work if you sell the stock and then donate the money. You get $5,000 at sale and a charitable deduction of $5,000. You save $1,800 on your income taxes, and you pay $800 in capital gains tax. The "cost" of your $5,000 donation is $4,000.

Now, what is the cost of your donation if you give the stock to the charity? Again, the amount of the donation is $5,000 (the fair market value), and your charitable deduction is $5,000. But this time, you don't pay any capital gains tax. Therefore, the "cost" of your $5,000 donation to you is $3,200. The charity still gets a $5,000 donation, but it costs you less to give.

What if you have a loss on your stock? At that point, the financially savvy tactic is to sell the stock, take a capital loss on your tax return, and give the money directly to the charity. Before donating stock, check with the nonprofit to make sure it has the knowledge and capability to handle a stock donation. Not all do, especially smaller nonprofits.

The StockGift Advantage

	Contribute Stock To Charity	Sell Stock and Donate Proceeds to Charity
Amount of Donation	$5,000	$5,000
Charitable Deduction	$5,000	$5,000
Income Taxes Saved *	$1,800	$1,800
Capital Gains Tax *	$0	$800
"Cost" of Donation	$3,200	$4,000

* This example assumes: only federal income taxes for the 36 percent tax bracket; the federal capital gains tax is 20 percent; and the stock has been held for more than one year with a cost basis of $1,000.

Data: Fidelity

Other Ways to Share the Wealth

Many people today have accumulated more wealth than they imagined when they left home or college and began their work life. They're living well, and their children are grown up. They'd like to pass on some wealth to charity while reducing their taxes. The possibilities are almost as endless as the permutations in the estate tax code. Here are the most popular options. These are general descriptions of complex products, and do not address many of the rules and exceptions to those regulations. These tactics carry significant tax and estate planning benefits—and penalties if done poorly. If you attend a seminar or presentation where charitable giving is promoted as the greatest tax shelter ever devised for you and your heirs, run. In all cases, working with competent professionals is not only advised, but necessary. Careful planning and drafting are crucial to head off future trouble when channeling money to charity.

A Will

It's simple to include charities in your will, which is merely written instructions, prepared according to legal rules, directing how your property is to be distributed at death.

A will doesn't offer any unusual tax complications. The money you bequest to a qualified nonprofit organization is fully deductible for federal estate tax purposes. You can rewrite your will without any financial or tax penalty. You can designate that your charitable legacy goes toward a specific purpose. But most charities prefer unrestricted gifts so that they can respond to changing needs and missions.

Sadly, more than half of all Americans die without a will. Good estate planning begins with a will, even if you don't plan on naming a charity. What's more, a will is not a once-in-a-lifetime document. You can outgrow your will, and new laws can make revisions necessary. In most cases, it pays to hire a lawyer who specializes in wills. Yes, there are software and Internet do-it-yourself wills, but this is an area where a mistake or misunderstanding is especially painful, at least for your heirs and other potential beneficiaries.

Charitable Fund

The mutual fund industry is one of the great entrepreneurial success stories of the post World War II era. Imagine—in 1970 equity mutual fund assets totaled $45 billion, and by 1999, that figure had swelled to $4 trillion. The major mutual fund companies and brokerage houses are setting up charitable gift funds. For instance, Fidelity started its charitable gift fund in 1992, and as of June, 1999, it had more than $1.8 billion in assets.

The mutual fund industry with its more than 83 million shareholders is a powerful force for making philanthropy a democratic process open to people of modest means. Several funds carry a minimum donation of $10,000. The endowment is easy to set up, since the financial institution handles the administrative, investment and record keeping tasks. Once a fund is established, you can make additional contributions with a phone call or online.

Many of these funds are donor-advised. You get to take an immediate tax deduction for your cash or securities contribution, you get some say in which qualified public charities get your money, and your endowment compounds over time. However, carefully scrutinize the fees associated with these funds. Fees and expenses can differ significantly as more mutual fund companies and brokerage houses get into the business. Some companies are charging a load on their charitable gift funds. There is no reason to pay a commission when there are good no-load, low-fee options available.

Community Foundations

Donor-advised funds are hardly new. They have been offered for years though community foundations, which are typically among the better-known charitable institutions in any region. Foundations like the New York Community Trust, the Minneapolis Foundation, and the San Francisco Foundation have been around for decades, and most large metropolitan areas have at least one. These foundations direct many of the gifts they manage to charities within the local area. Indeed, one difference between charitable gift funds and community foundations is the latter's local commitment.

As with other donor-advised funds, community foundations greatly simplify your charitable giving, and you wield some influence over where your donations go. There are other options available to you at a community foundation. For example, you can donate money into the community foundation's unrestricted funds. The foundation's board of directors will then direct the endowment money. Alternatively, you can designate a particular cause, like the arts, or name several specific charitable organizations to benefit from your contributions. Some foundations are designed to address or meet the needs of a particular group.

Private Foundation

The David and Lucile Packard Foundation. The John D, and Catherine MacArthur Foundation. The McKnight Foundation. How would you like your name on a family foundation? Do you want your family to distribute the considerable wealth you've accumulated over a lifetime? A foundation allows you and your family to retain control of both investments and donations. You also get to appoint your board of directors, subject to conflict-of-interest rules. Family foundations account for two-thirds of the approximately 40,000 private foundations in the U.S. These foundations have assets of $150 billion and make grants totaling more than $7 billion a year. They are growing in both size and number.

Family foundations are complicated to set up and run. In many cases, it doesn't make financial sense to set one up with less than $2 million to put into the foundation, although people do establish foundations with smaller amounts. You also don't save as much on taxes with a family foundation as you do with other charitable donations. For example, you are limited to a deduction of 30 percent of adjusted gross income on cash donations to a private foundation versus 50 percent on gifts to public charity. Gifts of appreciated stock to private foundations are subject to a 20 percent of adjusted gross income limit. Investment income generated by the foundation's assets will be hit with a one percent to two percent federal excise tax, although most foundations pay out about one percent. Annual maintenance fees may run about two percent to three percent of the endowment. Federal law requires a foundation to give away, on average, five percent of the endowment assets' market value every year, or face a tax penalty.

Supporting Organization

Among wealthy households, creating a supporting organization is an alternative to a family foundation or donor-advised fund. The term "supporting organization" is descriptive. A supporting organization is a public charity dedicated to supporting other nonprofits. A supporting organization isn't bound by the more restrictive rules and regulations of a private foundation, and the tax deduction rules on contributions are more generous. At the same time, supporting organizations allow for family involvement and limited control over investment assets. One drawback is that a supporting organization must specify the charities it will back when it is established. It's extremely difficult to change the beneficiaries even while the donor lives. One way to broaden the field of choices is to add a donor-advised fund as one of the charities. You can then designate grants from that organization.

Charitable Remainder Trust

There are many different kinds of trusts. A trust is a legal entity created by a property owner that protects and distributes the property according to the owner's wishes. A trust transfers assets to a third party for the benefit of a beneficiary—in this case a charity.

A charitable remainder trust allows you to accomplish several goals. You get an income tax deduction based on the present value of the future gift when you transfer the assets into the trust. You avoid capital gains taxes on the assets placed in the trust. The assets are also removed from your estate and are, therefore, free of estate taxes. However, a charitable remainder trust is an "irrevocable" trust. Irrevocable means you can't wake up one morning and say to yourself, "Oops, I made a mistake." The trust can't be changed or revoked once it has been created, although you can name a new trustee or charitable beneficiary.

You get an income with a charitable remainder trust, which is a large part of its appeal. The trustee sells the assets in the trust (again, without any tax consequence) and invests the proceeds in an income-producing investment. You receive an income and pay taxes on those payments. The trust can pay you a fixed percentage of assets, which must total at least five percent annually of fair market value. You could also receive a set dollar amount, with the annual payments totaling at least five percent of the initial donation. Whatever is left over when you die or at the end of a specified time period goes to the charity you have selected.

Charitable Lead Trust

This trust reverses the income and asset flow of the charitable remainder trust. The charity receives a regular income from assets held by the trust. Your heirs get the assets back when the pre-determined life of the trust has expired. In essence, with a charitable lead trust the same asset is a gift to charity and an inheritance for your beneficiaries. But the overall tax benefits are not as generous as the charitable remainder trust.

Gift Annuities

Here is another way to earn an income for the rest of your life, lower your taxes and support a charity. You make a charitable gift of cash, stocks or other property. You get in return a fixed lifetime payout from an annuity. The charitable tax deduction lowers your income taxes (again, only for the present value of the future gift). The charity keeps the remaining principal when you die.

Life Insurance

There is only one reason to buy life insurance: To financially protect your loved ones from your untimely death. Still, many people end up with more life insurance than they need, perhaps because their children are now financially independent. If that describes your situation, consider donating life insurance to a charity. You can donate a life insurance policy in several different ways. Each approach accomplishes a slightly different financial goal, has its own set of rules and carries different tax implications. Several common options include naming a charity as the beneficiary of a policy, giving to charity a policy on which you are still paying premiums, and having your insurance policy dividends go to a charity.

Retirement Plans

Americans are putting aside phenomenal sums of money in retirement savings plans, and rates of return on these savings have been extraordinarily high. The assets in Individual Retirement Accounts total more than $2.4 trillion, and another $1.7 trillion is stashed away in 401(k) plans. A sizeable nest egg is another source for charitable contributions.

From a tax standpoint, it's best to name a charity as the beneficiary of your retirement savings plan. The charity will get your retirement savings free of income and estate taxes. The tactics for transferring your retirement savings to a charity while you're alive are far less attractive. You can't directly channel money from a tax-qualified retirement plan to a charity or to a charitable remainder trust while you're still living. Assuming you have other resources to live on and you are over age 59-1/2, you could send your withdrawals to charity and take a tax deduction. But you'll still have taxable income considering the overall deduction ceiling of 50 percent of adjusted gross income.

Measure Success

Good intentions are no longer enough. A movement is taking hold in the nonprofit sector reminiscent of the shareholder value revolution of the 1980s and 1990s, with its strong emphasis on greater accountability for performance and results. People want to see that their tax-exempt money is well spent, and greater scrutiny is being called for, both inside and outside the philanthropic community. There is a need for the checks and balances that comes from easily accessible information and informed public discourse and debate.

Of course, it's not easy to measure results. Nonprofit hospitals are supposed to be less driven by the bottom line—and yet be efficient. Foundations should spend their money effectively—but also fund creative solutions to entrenched social problems. Nonprofit management should combine the qualities of General Electric's chief executive Jack Welch and the late Mother Teresa. Nevertheless, charitable organizations are under pressure to show results for the dollars invested. Peter Drucker, the management philosopher, captured the idea well when he said that in the social sector, as in business and government, performance is the ultimate test of an organization.

It's a good idea to regularly review your charitable giving. For one thing, a periodic check-up motivates you to judge the beneficiaries of your giving. Did the school or home you helped fund get built? Are the homeless finding beds in the winter as promised? Are administrative costs going up and for what reason? For another, charities can change over time. A new chief executive or management team often restructures an organization's operations and strategic mission. Do you agree with the new approach? Or would you prefer to put your hard-earned money elsewhere? These are hardheaded questions, but the answers are critical for making a difference as you give to others.

Yet no matter how much the finances of benevolent giving may evolve in coming decades, the famous insight from Alexis de Tocqueville, the peripatetic 19th century social-philosopher, still resonates today. "Americans of all ages, all stations of life, and all types of disposition are forever forming associations. There are not only commercial and industrial associations in which all take part, but others of a thousand different types—religious, moral, serious, futile, very general and very limited, immensely large, and very minute." Sharing the wealth is still a remarkably moving expression of community.

Resources

A wealth of information is available about charitable giving in libraries, bookstores, and online. Financial planners, estate lawyers, planned giving specialists, and other professionals should be consulted before attempting any of the more sophisticated strategies for transferring wealth. This resource section concentrates on Internet-based offerings, since the World Wide Web contains links to a vast library for research and further reading. Most of these web sites offer far more information than the thumbnail description.

www.aafrc.org
The American Association of Fund-Raising Counsel publishes annual statistics on giving.

www.bbb.org
The Better Business Bureau has long monitored the charity industry.

www.charitywatch.org
The American Institute of Philanthropy is an industry watchdog.

www.cof.org
Interested in setting up a foundation? The Council on Foundations offers an overview, plus plenty of other foundation resources and search engines.

www.fdncenter.org
The Foundation Center offers a widely admired cyberspace portal to private foundations and corporate giving programs.

www.fidelity.com
Fidelity has an easy-to-use calculator if you're wondering whether to gift stock or sell the stock first and then give cash.

www.Fordham.edu/halsall/mod/1889carnegie.html
You can read "The Gospel of Wealth," by Andrew Carnegie, a famous essay written in 1889 by the steel baron exhorting his wealthy peers to give their fortunes away to socially beneficial projects.

www.guidestar.org
A web site maintained by Philanthropic Research to publish the tax returns of nonprofits.

www.give.org
The National Charities Information Bureau promotes informed giving.

www.ksghauser.harvard.edu
The Hauser Center for Nonprofit Organizations at Harvard University is pushing for greater management efficiency in civil society institutions.

www.helping.org
An online resource for volunteering and charitable giving.

www.indepsec.org
The Independent Sector is a trade association and data-gatherer for the nonprofit sector.

www.philanthropy.iupui.edu
The Indiana University Center on Philanthropy is a clearinghouse for academic research in the field.

www.minnesotagiving.org
The Minnesota Council of Foundations offers a "Toolkit for Giving."

www.morethanmoney.org
An outreach program to encourage more giving by young adults with a substantial inheritance.

www.ncfp.org
The National Center for Family Philanthropy is dedicated to encouraging family giving.

www.urban.org
If you'd like to learn more about the nonprofit sector and the role of civil society in the American economy, check out its National Center for Charitable Statistics.

www.newtithing.org
An organization dedicated to increasing charitable giving, especially among the wealthy.

www.philanthropy.com
The Chronicle of Philanthropy is the leading newspaper covering the industry.

www.pj.org
The Philanthropy Journal Online keeps up with changes in charitable law and regulations.

www.rag.org
The Forum of Regional Associations of Grantmakers can provide information on your region's philanthropy, help you or your advisor explore many giving options, and connect you to other donors in your area.

www.smallfoundations.org
An organization geared to help foundations with little or no staff.

www.soundmoney.org

Want to download copies of this booklet? Learn much more about philanthropic giving and hear more personal advice from Chris Farrell? Try the Newtithing giving calculator that will help you determine just how much you can give? Go to www.soundmoney.org and click on *Sharing the Wealth*.

www.schwab.com
The giant financial services company offers a series of articles on thinking about charitable giving.

www.volunteermatch.org
You can find volunteer opportunities at this web site.

www.women-philanthropy.org
The Women's Philanthropy Institute actively promotes giving and community activism among women.

www.wkkf.org
For a good review of nearly 140 nonprofit Internet sites, you can read its report "E-philanthropy, Voluntarism, and Social Changemaking." It's a useful first review of a philanthropic revolution in the making.

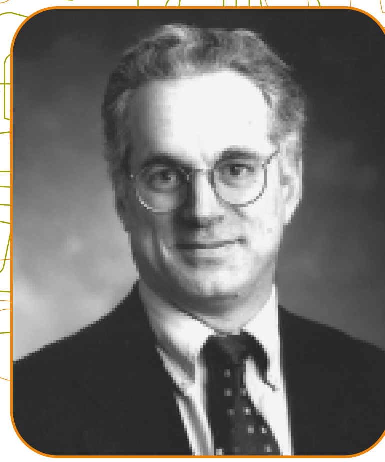
Titan: The Life of John D. Rockefeller, Sr.,
by Ron Chernow (Random House). A compelling biography of a legend who was both a ruthless businessman at the turn of the previous century and one of the country's greatest philanthropists.

Bowling Alone: The Collapse and Revival of American Community, by Robert D. Putnam (Simon & Schuster). Putnam offers a controversial theme about the decline of civic culture in America, but he also gathered a wealth of data. He has a nice chapter on the philanthropic surge toward the end of the 19th century.

"The Modern Medici: Patterns, Motivations, and Giving Strategies of the Wealthy," a March 10, 2000, paper by Paul G. Schervish of Boston College. Professor Schervish lays out the reasons for the coming golden age of philanthropy. You can read the paper at www.bc.edu/bc_org/avp/gsas/swri/.

"Millionaires and the Millennium: New Estimates of the Forthcoming Wealth Transfer and the Prospects for a Golden Age of Philanthropy," an October 19, 1999, paper by professors John J. Havens and Paul G. Schervish. The authors estimate the coming wealth transfer will range between a conservative figure of $41 trillion and a more optimistic $136 trillion. You can download the paper at:
www.bc.edu/bc_org/avp/gsas/swri/.

Hidden History: Restoring Our Secret Past,
by Daniel Boorstin (Vintage Books). The essay "From Charity to Philanthropy" is a thoughtful discussion of the role the nonprofit sector has played in society.



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The information in this booklet is of a general nature and not intended for application to specific cases. Your should discuss specific circumstances with your lawyer, accountant, or financial advisor.

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sharing the WEALTH

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