

Making an Impact

Getting Your Head & Heart Around Philanthropy

By Cynthia Miller

Philanthropy is as much a perspective and attitude as it is an act of giving. It is a reflection not only of generosity, but also of a focused desire to make a measurable impact in our communities, society, and world. In his financial planning practice at Smith Barney, Bruce Nerland '88 helps clients discern the many potential impacts of their gifts — from supporting a particular organization, to living out spiritual values, to leaving a legacy for families and communities. He shared his thoughts on philanthropy for this article.

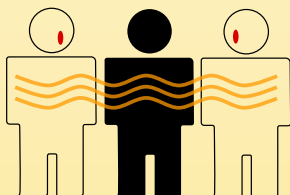


What's your motivation?

Nerland says the first step in philanthropy is to consider why you're giving. Of course, philanthropy also can generate some benefits considered to be more *quid pro quo*, such as tax deductions and public recognition. It's important to consider all the potential impacts of a gift to help prioritize the many philanthropic opportunities in today's world.

How much should you give?

The amount of a gift is tied to many different factors. While most prospective philanthropists put a great deal of effort in assessing their financial capacity, it is just as important to assess the desired level of impact you wish your gift to have. Sound philanthropy balances these two critical issues. For example, while a modest annual gift can help an organization acquire short term resources, a large gift placed into an endowment can literally ensure excellence for perpetuity.



Have you talked with your family?

Communication between family members is essential to wise giving. Nerland says he encourages people to have family meetings to talk about assets, values, financial attitudes, and estate planning. Often those with the most resources pay the least attention to communication and dialogue, which can be very problematic when differences of opinion are present. Families can tap into many different resources to help them navigate these issues, including professional mediation of differences by trained advisors.



The power of connection

According to Nerland, most people are naturally attracted to organizations that have changed their lives, and the lives of friends and family, for the better. Sometimes, the personal connection might be very short term (such as a hospital that helped a family member with an acute illness) or very long term in nature (such as an educational institution that fostered a successful career). Having a personal connection with a particular organization is also important because it allows a donor to leverage key contacts and relationships to ensure their gift will have the greatest possible impact.



Getting started

As with any important decision, the best first step is to connect with a financial consultant who can inform you and help you make a decision that best addresses all the issues described above. When you're ready to make a gift, development officers in the organizations you care about can help you discern the best way for you to achieve your philanthropic goals. To contact a development officer at William Mitchell, call (651) 290-6370.