

Being super rich is not a requirement to give to charity

By Claudia Buck, Sacramento Bee

Bill Gates and Warren Buffett started it. Now a small but growing group of far-less-wealthy Californians are joining in: taking a public pledge to leave money to charity after they're gone.

And it doesn't require being one of America's billionaires. The point is not about how much you're giving, but why.

"Everyone can leave a bequest to charity of something. We want to change the idea that you have to be rich to leave money to charity," said Elfrena Foord, a certified financial planner and co-founder of the California Plan Your Giving Project.

This month the state Legislature marked the third Plan Your Giving Day, which encourages everyday residents to earmark a portion of their assets – of any amount – for charitable causes. Since it was launched two years ago, about 500 individuals and couples have signed on.

Judy McGarry, a retired Sacramento County probation and compliance officer, is among them.

Inspired by the project, she recently set up a five-figure endowment and upped the percentage she's leaving in her trust to the Sacramento Senior Safe House, a residential respite for abused or neglected seniors.

"I did some soul-searching and looked at what causes are important to me. I'm very passionate about this," said McGarry, on a recent tour of the Safe House, an immaculate six-bedroom home tucked away on a quiet residential street in

northeast Sacramento. Staffed mainly by volunteers, the 24-hour facility enables abused seniors to get back on their feet emotionally and financially. Its \$250,000 budget is funded entirely by donations.

McGarry, who made her financial gifts in memory of her late mother, sees it as a personal legacy that will live on long after she's gone.

Rocklin residents Michael and Lindy Dunlavey, who ran a successful graphic design business for years, also signed the California giving pledge. Now retired, they've designated bequests in their trust to a number of local charities, from the Crocker Art Museum to the Placer County SPCA.

"Sacramento has been really good to us, so it's something we feel is important to do, especially for local groups," said Michael, who's served on a number of community boards, including the Crocker, Habitat for Humanity and the Sacramento History Foundation.

Charitable bequests certainly aren't a new concept. Any number of museums, symphonies, nonprofits, churches and charities continually ask donors to leave something behind in their wills. And many people, especially at year-end tax time, routinely make financial donations to causes they care about.

But giving seems to be coming back in vogue. Nationally, total giving in 2011 by individuals was \$218 billion – up by nearly 4 percent from 2010, according to Giving USA, the research arm of the Center on Philanthropy at Indiana University. Donations by individuals are 73 percent of all charitable giving, it said.

And it comes in all sizes.

Billionaires like investor Warren Buffett, along with Microsoft co-founder Bill Gates and his wife, Melinda, garnered big headlines in 2010 when they launched The Giving

Pledge, which asks America's billionaires to pledge at least 50 percent of their wealth to charity in their lifetime or after.

Nearly 100 individuals and families have taken the pledge, from 28-year-old Facebook co-founder Mark Zuckerberg to aging oil tycoon T. Boone Pickens. Just last month, another 12 signed on, including Netflix CEO Reed Hastings and Intel co-founder George Moore.

A more modest slice of the philanthropy movement are so-called "giving circles," where like-minded people pool their money and give to causes they deem important.

One of those, the One Percent Foundation, aimed at those in their 20s and 30s, was co-founded in 2007 by Daniel Kaufman, a Sacramento native. Over conversations while at UCLA law school, he and some friends realized they rarely gave to any significant causes.

"This is a very socially conscious, very involved generation," Kaufman said, "... but most of us felt we couldn't afford to give, didn't know where to give or thought our donation wouldn't have any impact."

Inspired, he and his friends pooled their money and sent \$500 to a hunger relief organization voted on by the group. The idea caught on among their west Los Angeles friends. After graduating and scattering across the country, the group formalized itself online as the One Percent Foundation in 2009.

Like the name implies, participants donate 1 percent of their annual income. For graduate students living on loans, that might mean a few bucks a month. For a recent grad with a \$35,000 job, it's a monthly \$29.17.

It's all done online. Every quarter, the One Percenters dole out two grants in a designated category: environment,

education, health, international aid or poverty. Members nominate organizations they'd like to see funded and the entire membership votes. Everyone gets one vote, no matter how much they give.

"Part of it is getting people in the mindset that they can do this. With rent, student loans, credit card payments, many (young adults) think 'No way,'" said Kaufman, 33. "But if you change that to giving \$20 a month, now it looks like a couple beers or going to the movies and buying popcorn. It totally changes how they think about (giving)."

Today, One Percent has about 500 members who've donated more than \$200,000 in the last three years.

"It's turned into an effort to engage an entire generation through their 30s ... by building a habit of thoughtful, sustained giving," said Kaufman, a lawyer who's since returned to Sacramento to raise his family and launch Third Plateau, a philanthropic consulting firm.

For those concerned their kids or heirs might feel cheated out of part of their inheritance, financial experts say a family's charitable giving can accomplish just the opposite.

"It's a great way to pass on your values to your kids," said Carrie Schwab Pomerantz, president of the nonprofit Charles Schwab Foundation and a mother of three. "More than anything, it's part of bigger life skills: building character in a young person. Giving creates emotional growth."

Foord advises parents to have a conversation with their children about what causes – Girl Scouts, Boy Scouts, public television, church – are important to a family and why they're being remembered.

"If someone with two kids leaves \$10,000 to charity, each child inherits \$5,000 less. But that child also inherits the value that 'our family shares a little of what we have to make

a difference and help others,' " said Foord, who said her charitable instincts were instilled by her mother and grandfather, who left money to causes in their wills and trusts.

Planned giving doesn't have to involve attorneys and fancy fees, she noted. It can be as simple as changing the beneficiary on an IRA or annuity, or adding a charity's name as "Transfer-on-Death" (TOD) to a mutual fund or CD account.

"Everybody has something to give, even a few dollars," said Schwab's Pomerantz. "It's in our DNA, no matter what your economic background."