

# Democratizing Giving

Giving is a wonderful exercise and can take on many different roles—from those who volunteer precious time to those who advocate for charitable organizations (case in point is the ice-bucket challenge for ALS that has gone viral this summer to the delight of many givers and of course the organization that works tirelessly to advocate for research and care for those suffering with ALS). Doing good by lending support to philanthropic entities is admirable and provides an important underpinning for our children—to learn the gift of giving. I can recall when my girls were younger they ran a ice-tea stand to raise money for a national charity—they felt like heroes that night and I believe it has helped frame them into charitably-minded young ladies today.

We have also witnessed this democratization movement in philanthropy—with investors, from the simple Donor Advised Funds (DAFs) to the more elegant private foundations and charitable trusts. There is also the educational legacy movement where investors can set-up, through 529 accounts, a long term educational legacy. In any case the notion that one has to be a Rockefeller (or a Gates) to be a philanthropist is no longer the case. Everyday investors can give and do so with a mindfulness of the future.

Today's investors have learned to give like a professional—understanding the responsibilities inherent in managing a foundation or a Donor Advised Fund. Where the capital invested is truly the number one asset of said vehicles and therefore remaining a prudent and effective investor is paramount to the success of the fund and its charitable purpose. One needs to adopt a true wealth management plan—complete with an Investment Policy Statement—in order to effectively reach their stated goals. Flying by one's seat-of-the-pants is not an effective plan and it is likely to fail—and that is only compounded by the lost opportunity for the end charitable organization.

Effective giving requires professional advice—on both the giving side (How best to move the proverbial needle? Aligning ones mission with their giving) as well as the investment management side.

