

BUDGETING & SAVING

# How to Be More Charitable Year-Round

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April 24, 2017



We know how it goes — you always intend to volunteer more or write that check to your local charity, but then another month goes by and, well, it just hasn't happened.

Then the holidays roll around, and you're suddenly inundated with support letters. Problem is, you've spent all your money on gifts and travel — and now you're feeling that tinge of guilt because you can't give as much as you'd like.

You're not the only one in this boat. A [study from GuideStar](#) reported that half of not-for-profits receive the majority of their donations between October and December. While it's easy to equate the holidays with giving, having an all-seasons strategy can be better for your finances *and* help ensure you're not accidentally overlooking the causes you care about.

Check out the steps below to become more strategic with year-round giving.

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## Step 1: Determine what you're most passionate about.

Consider this one of the few areas of your money life where it's OK to let emotions guide your decisions, says John Wasik, consumer advocate and author of ["The Debt-Free Degree: How to Eliminate College Debt at Every Step."](#)

To start, think of charities in terms of categories; [Charity Navigator lists 11 main buckets](#) ranging from animals to community development to research and public policy. Write down the categories that tug at your heart, and try to focus on one or two issues where you can really move the needle.

If you're overwhelmed by the choices, start with something local, like a neighborhood soup kitchen or your favorite public library. "You can get so targeted these days that if you do just a little research, you can get your money to where it can be most effective," Wasik says.

## Step 2: Vet your options.

Once you've narrowed down your interests, do some homework to find the right organization that'll best allocate your contributions to your liking. Here's how.

**Review the charity's form 990.** This is a good place to start, Wasik says, because form 990 is a tax document that evaluates the operations, governance and finances of 501(c)(3)s — basically why the organization qualifies for charity status.

While you might make note of operating costs, don't count an organization out just for having high overhead, says Brent Kessel, CFP®, author of ["It's Not About the Money: A Financial Game Plan for Staying Safe, Sane, and Calm in Any Economy."](#) A charity might spend a lot of their budget on large events, but if they are bringing in millions and raising awareness, it could be an effective use of funds.

You can also compare your charity's budget with those of other similarly-sized orgs. Wasik recommends checking GuideStar or the Better Business Bureau.

**Review its website and annual report.** These are two tools charities use to communicate how they quantify success and impact. You'll also be able to get a sense of what they value most — anything from personal stories about small impactful moments to harder data about fundraising campaigns.

If the charity doesn't have a website, it could be a red flag, says Wasik, so follow up by asking for an audited financial statement to confirm they are legit.

**Get a sense of what it'd be like to be a donor.** Every charity has a development director anxious to get new donors involved. Call that person, or the donor services department, and ask for some sample donor materials.

Communication is the key to all long-term relationships, and you might be put off by how an organization reaches out to you; for example, maybe monthly snail mail or daily emails aren't your thing. "There's no right or wrong answer," Kessel says. "It's just important to know what type of donor you are and partner with charities that are communicating with you in your language."

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### Step 3: Decide how you'll define success.

It takes a lot of research to find quantitative data on how much of your money ends up directly addressing a charity's mission, so it's important that you also have your own measures of success — even if they are more about the warm and fuzzy feelings you get.

For instance, Kessel tells his clients to remember the best experience they had helping someone else out, whether it was writing a check or helping a family member move. So recall a few of those moments for yourself. What about the experience made you feel great about giving? How was that gratitude expressed back to you?

Then make a list of the top three to five attributes of those experiences that really worked for you. Maybe after making a contribution, you received a hand-written note from a charity telling you how your money was used. Or maybe you received a "thank you" phone call that signified you were more than just a few dollar signs to the organization. Kessel says you will feel most fulfilled if you find charities that will give you those same kinds of experiences.

### Step 4: Crunch the numbers on your charity budget.

While traditional giving benchmarks exist, Kessel says giving is personal and shouldn't fit into any prescribed percentage or amount. Instead, calculate a figure and make it a fixed line item in your [monthly budget](#).

To avoid overextending yourself, you'll want to ensure all your other essential expenses are covered and that your financial goals are on track. After all, giving too much could cause just as much financial instability as being in debt or budgeting incorrectly, says Kessel. For instance, if you're behind on retirement savings or trying to save for a down payment on a home, it's OK if charitable giving isn't at the top of your priority list — simply adjust your giving amount or how often you give accordingly.

Once you have a number in mind, consider setting up an automated transfer to a donation savings fund on a cadence you're comfortable with, so you'll always have some money set aside for giving without it being a shock to your budget.

RELATED: [How to Budget for Giving All Year Long](#)

### Step 5: Make it easy to give.

While charity is not something you want to set and forget completely — remember, a critical component is feeling connected to your giving — what you do in your everyday life can also translate to charity dollars. Take, for example ...

**Going to the theater.** If you enjoy arts and cultural performances, most arts organizations will offer perks for a donation-based membership. The [Public Theatre in New York City](#) is famous for its free Shakespeare in the Park performances, but donors get reserved seating so they don't have to fight the sweaty crowds.

**Online shopping.** "Shopfunding" is the idea behind [Goodshop Gumdrop](#), a browser extension that provides online shoppers with coupons and donates a portion of their checkout dollars to a cause that's important to them.

"Here's something you're already doing every day — shopping online — so take this action and turn it into a way to help your cause," says Goodshop co-founder JJ Ramberg. "And it's fun because you get to see the money add up in almost real-time."

To date, users have raised more than \$12 million for causes ranging from the American Cancer Society to local neighborhood animal shelters, while saving more than \$100 million from Goodshop's coupons and deals.

"There are organizations out there doing really good work and people out there whose lives could change with just a 30-second action on our part," Ramberg adds.

**Taking advantage of company perks.** Many companies will match charitable donations, sometimes even more than dollar for dollar. See if your employer offers this benefit so you can send additional money to your cause — and maybe you'll meet a coworker with a similar passion along the way.

### Step 6: Revisit your causes.

The causes that matter to you most today might not evoke the same fire in you five years from now — and that's OK. While it's hard to let go of organizations that do great work, you're more valuable to one when you're deeply connected and excited by its mission.

That's why Kessel recommends checking in annually on whether you still align with your charity's mission, or if it's time to find another cause that motivates you. His parting wisdom? "If you can't find a way to do it with joy, don't do it."

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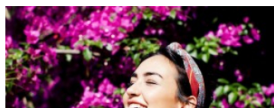
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