

# Developing Your Philanthropic Plan

## MOTIVATIONS AND VALUES:

Your motivations for giving may include concerns with particular social or environmental problems, the belief in “paying it forward,” or the desire to use philanthropy to bring your family together or create a legacy.

In addition to your motivations, your personal values will surely guide you to the issues or causes to which you direct your philanthropy. Value-based giving makes philanthropy more meaningful and personal; it also helps sustain interest in issues throughout the decades it may take to achieve real impact.

## INTERESTS:

Deciding on your philanthropic interests and cause areas to invest in can be a bit daunting. We recommend combining your values and motivations with some introspection from looking back over your past giving to determine what has been meaningful to you in the past.

By reviewing your past giving, you can identify patterns and trends in your philanthropy. Have certain causes received greater proportions of your giving or time? Do those causes align with your values, interests, and philanthropic aspirations? Have any gifts given you special satisfaction—or not? The insight you glean from looking back can help you decide how to focus your giving in the future.

## DEFINE YOUR FOCUS:

Creating focus areas helps develop a plan for your giving and ensure your resources can make a difference in the areas you care about. We recommend having a general plan for focusing your philanthropic investments to protect your personal capacity for these topics and to ensure your gifts can make a meaningful impact.

Clearly defining your focus areas creates a framework for decision-making, helps define your philanthropic goals and assess your progress toward them, and reduces choice overload in making giving decisions.

## RISK TOLERANCE:

Knowing your motivations and values is important. It’s also important to know how these align with your tolerance for risk. Some philanthropists are willing to support promising start-ups, while others prefer to donate to organizations with longstanding track records. Some philanthropists are willing to shoot for the moon to achieve ambitious policy goals, while others feel more comfortable supporting the delivery of services that offer predictable benefits.

## ALLOCATE YOUR FUNDING:

Once you have identified one or more focus areas, it’s time to think about how many dollars to allocate to them. You may decide to provide sustained, robust funding in a single focus area. Or, you can fund several focus areas— if you have the capacity to learn the field and find, fund, and monitor effective organizations in each of them.

If you have several focus areas, consider allocating funds based on how important you believe each focus area to be and how pressing the need is—for example, you might decide to allocate more to organizations working to reduce diseases and poverty than to a local theater group. Consider allocating your volunteer time to where you can make the greatest difference.

## STRUCTURE:

There are many ways to structure your charitable giving. Work with your advisor to review the options and determine which solution will be the best fit for your financial and philanthropic goals.