

Let's do some math!

I love math. I roll numbers in my head all the time. I also love to think about philanthropy. Sometimes I daydream about winning a huge lottery and setting up a charitable foundation and how I would divvy up and parcel out the money. OK, I'm a little odd.

If I haven't lost your attention, let's consider a little philanthropic thought experiment. This time of year is the time that most of us are writing out our donation checks to our favorite charities. I make a list of all the places I give and the amounts I give for my taxes. It's a good list to evaluate where my philanthropic dollars go. I find similarities in my interests. I find beloved outliers. I get a solid look at my total giving. Look at your list. Usually there are a few charities that stand out as your favorites. Which are they? Do you wish you could give them more than you do? Do you wish you could give to them forever? My list is long, but there are only a few that I wish I could do more for, that I wish I could be more connected to.

So here's the thought experiment and the math. What if for those few special places, my gift could go on forever? How would that work, and what would that mean? I take the amount I give annually and multiply it by 20. Why 20? If I made a contribution to an organization's endowment of 20 times my annual gift, the interest generated each year will equal about the same as my gift. That means I would be making my annual gift FOREVER!

If you give \$2,000 to your synagogue, that would be \$40,000. If you give \$100 to your college, that would be \$2,000. If you give \$500 to that aquarium where you and your spouse had your first date, that would be \$10,000. Add up the total: in this example, \$52,000. You are going to get an amount you could never afford to give. It will seem incredibly large, and it is. Then think about everything you have. Most of us are blessed beyond measure when we think of what we have that we need right now: our home, a retirement fund, an insurance policy, a car, a savings account, works of art. What if we said everything goes to my kids, but 20% of my house goes to charity, or whatever is left in my retirement account goes to charity? Could we come up with that total above?

Of course we can! And that is really exciting. You can designate a portion of your assets right now to your favorite places and let them know!

So here is your math homework. Create your list of annual giving. Read through it and find your darlings. Then do the math. That is the thought experiment part. Now for the action: make the commitment, add a beneficiary, talk to your lawyer about your will, and send a note to those special organizations telling them why they are so special to you.

You can call me, too! Talking about favorite charities is one of my favorite things. I'd love to hear what is important to you and why. You bring the stories, I'll do the math!