

# Philanthropy is Not a Zero-Sum Game

by Terrie Temkin

There has been a lot in the press lately about *The Giving Pledge*—the commitment pushed by Bill Gates and Warren Buffett for the world's billionaires to give half their fortunes to charity.

A lot of people are rooting for their success; some noting that the billions that would be available as a result would do a lot of good and hardly be missed by the donors. After all, in 2010, the average net worth of the world's billionaires was \$3.5 billion, with the world's two richest men, Carlos Slim Helu from Mexico and Bill Gates, both worth over \$53 billion. Most of us feel we could live pretty well on \$1.75 billion—let alone the close to \$26.5 billion that Gates or Helu would be left with—after making such significant donations.

But is what is good for the goose good for the gander? While Americans are recognized worldwide as extremely generous, very few give anywhere near the fifty percent of income standard set in *The Giving Pledge*. In yearly studies of giving the statistics have remained incredibly steady. Americans give between three and five percent of their annual income, with the poorest among them (those earning less than \$25,000) contributing an average of 4.2 percent of their household income. Those earning over \$100,000 donate an average of 2.7 percent of earnings.

Should we do better? Some research suggests that generosity may be in our own best interest. Studies conducted at Johns Hopkins, Cornell, and Harvard Universities found that regardless of income people who make charitable contributions tend to live both healthier and happier lives than those who don't.

Could we do better? Absolutely! In fact, we could easily do significantly better and never even really feel it in our pocketbooks.

## The keys to pain-free giving

You may cringe at digging into your wallet, but there are ways to make giving generously a pain-free habit.

A colleague of mine, Dr. Donna Goldstein, shared some of the things she does to make a difference in others' lives that take little more from her than her time.

- At the grocery store, she takes liberal advantage of the frequent two for one offers. She keeps one and donates the second to her local food bank.
- She also enjoys shopping at second-hand stores. She takes the money she saves by not buying new and donates it. On top of the good feeling she gets from that, she enjoys the pleasure of the hunt.

My brother, Dr. Larry Temkin, is a world-renowned ethicist, who works in the area of inequality. A Professor II in the Philosophy Department at Rutgers University, he lectures on this topic regularly. He encourages his students to practice giving habits that fit within their lifestyle.

- Perhaps you've been lusting over a special pair of designer jeans that cost \$150. One day, the jeans go on sale, and you pick them up for half off. Donate the \$75 you saved to charity.

### At a glance

Nonprofit consultant Terrie Temkin suggests many ways you can increase your giving, including:

- Buy 2-for-1 deals, and give the second to charity
- Delay regular nonessential purchases slightly and give the extra savings
- Convert bargain savings to donations
- Shop second hand and donate the savings

Small changes quickly add up to a big new generosity habit. That habit is linked to better health. And it could double charitable giving. That's a win-win!

- Perhaps you like designer jeans, but don't have to have a specific pair of designer jeans. Discount stores have courted some of the most famous designers in the world to put out clothing under their labels. Pick up a pair for \$40 and there's a savings of \$110 that could go to charity.
- Do you get gifts for holidays and birthdays that you really don't care for? Ask that a donation be made in your honor instead. Or, ask for cash and give some or all of it to charity. Either scenario is a win for you and for your favorite charity.

Of course, like many of Larry's students, you may be on the kind of budget that would not let you consider a pair of jeans at \$150, \$75, or anything but the lowest sale price. You can still make similar choices; if the sale price was \$23, mentally round it to \$25 and put \$2 in a charity piggy bank.

Here are some other options.

- According to Broadcast Music, Inc., Americans spent \$550 million for ringtones in 2007. What about downloading a free ringtone and using the money saved for charitable purposes?
- NDP Group Market Research found \$13.5 billion was spent in 2006 on video and computer games. A trip to the library could free up a lot of money for charity and provide endless choices. Have to have your own copy? Extend the time between purchases by a few days or weeks, and donate the freed-up cash. (If you buy one a month, buy one every six weeks. With the average video game costing \$20, by the end of the year you would have donated about \$175!) Eventually, you'll still have the games but will also have the pleasure of giving.
- On a smaller scale that still adds up, you can attend a matinee instead of the prime time show or downsize your drink at the fast food restaurant. Most fast food establishments allow free refills anyway. Is being able to make a charitable contribution with the savings worth getting up from the table and making an extra trip to the dispensing machine?
- Become a coupon shopper. Fifty cents here, two dollars there... If you bank the difference between full and discount price, in short order you will have a full piggy bank to share with someone less fortunate.
- Of course, if you empty your pocket change nightly and throw it into a can to sit for years and years, you have a ready donation that you'll never miss.

In each of these cases, you are making contributions with money that is already "mentally spent," so it seems less onerous than having to come up with "extra" money. None of these suggestions will bring the average American's contributions up to the fifty percent level. I would hazard a guess it could raise it to ten percent. That would still double the current giving level of close to \$300 billion annually. And, as Everett Dirksen is often quoted as saying, "A billion here, a billion there ... pretty soon we're talking about real money."



Dr. Terrie Temkin, PhD., a founding principal of CoreStrategies for Nonprofits, Inc., is one of the world's premier governance experts, sharing her knowledge throughout the U.S. and countries such as Australia, England, Kenya, Jamaica, Haiti and Singapore. She brings to her work more than 30 years of experience in the nonprofit arena, gleaned from the distinct vantage points of board member, board chair, executive director, trainer and consultant. Terrie is an award-winning speaker, an engaging group facilitator, and a prolific writer. She has published extensively in most of the nonprofit journals—including several overseas—has written four books, has chapters in three others, and for five years wrote a newspaper column on governance for the *Miami Herald*, which is distributed today by a variety of journals, newsletters and magazines, including *Philanthropy Journal*. In her spare time Terrie teaches governance in a master's program at Florida Atlantic University. Terrie may be reached at [TerrieTemkin@CoreStrategies4Nonprofits.com](mailto:TerrieTemkin@CoreStrategies4Nonprofits.com), through the company's website at [www.CoreStrategies4Nonprofits.com](http://www.CoreStrategies4Nonprofits.com) or by phone, 888.458.4351, Ext. 83.

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