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# Money Matters: Doing good for others makes you feel good

BY KEN EATON - FINANCIAL PLANNING ASSOCIATION OF GREATER KANSAS CITY -

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Did you know that several scientific studies ([http://greatergood.berkeley.edu/article/item/5\\_ways\\_giving\\_is\\_good\\_for\\_you](http://greatergood.berkeley.edu/article/item/5_ways_giving_is_good_for_you)) have established a link between giving to charity and personal emotional well-being? That's right. Doing good for others makes you feel good!

Unfortunately, many of us may intend to give to good causes, but the pressures of daily life cause us to forget, or the extra money that we thought we had gets absorbed by unexpected expenses, and, at the end of the year, we are left scrambling to find time and money to make last minute donations. We are not alone, according to a recent article in the Dallas Morning News (<http://www.dallasnews.com/opinion/latest-columns/20131222-be-more-innovative-and-effective-in-charitable-giving.ece>), 22 percent of all annual online giving occurs on December 30 and 31<sup>st</sup>.

Conversely, we may feel pressured to give to every organization that asks, whether we really care about the cause or not. So, when approached, we reluctantly write a check for what we think we can spare, or we choose to donate nothing, and then feel guilty.

Both of those methods of giving can leave a person feeling coerced and out of control and, most likely, feeling the opposite of good about his good works.

To regain control, and to feel good about your giving, you can borrow a page from the playbook of charitable foundations. Essentially, charitable foundations are professional, focused givers. A charitable foundation is originally established with a large gift from a wealthy person or a corporation. That gift is then invested, and a board of trustees is given the task of giving away the earnings from that investment every year, based on guidelines set by the donors that reflect their values. The trustees are only allowed to give to organizations that support the mission of the foundation.

For instance, the Bill and Melinda Gates Foundation (<http://www.gatesfoundation.org/>), the charitable fund established by Microsoft's founder, is guided by the belief that every life has equal value and works to help all people lead healthy and productive lives. So, its trustees are specifically directed to give to organizations focused on the health and development of under-developed countries, but not to projects designed to combat diseases in developed countries. I am willing to bet that the Gateses would consider the fight against diabetes to be a good cause, but even they realize that their massive gift cannot solve all of the world's problems, so they have chosen to focus on the causes that are dearest to them.

Think about how much better it would feel to have a similar plan for your charitable giving. At the beginning of each year, you and your family could meet to talk about what causes are important to each of you, decide how much you want to give in terms of dollars and/or time, and direct your money and energy to charities that serve those causes. From that discussion you can come up with your own value statement. For example, you may say, “Our family values the sacrifices that our soldiers make to keep our country free. Therefore, we resolve to donate 2% of our gross income and 100 hours of volunteer service over the coming year to charitable organizations that benefit soldiers and veterans.” Of course, you can choose to support more than one cause if family members have different priorities.

By having a plan you will be more likely to achieve your goals in a controlled, systematic way. By having areas of focus, you will not have to feel guilty about declining requests from organizations that do not meet your criteria. You may also feel more impactful by giving a meaningful amount of time or money to one or two causes, rather than smaller amounts to many. Additionally, by involving the family in the decision making process, you can foster a sense of community in your young ones and pass on your values.

If you are having trouble finding local charities that reflect your particular set of values, or if you want to know how your dollars will be used by a particular organization, you can use the “Nonprofit Search” on the Greater Kansas City Community Foundation’s (<http://www.gkccf.org/>) website. It will help you search for charities by type of cause. You can also review an organization’s mission statement and its programs to see if they mesh with your family’s value statement, and you can see a financial summary that will tell you how your money might be used. For charities outside of the metropolitan area, you can use Guide Star (<http://www.guidestar.org/>) to find similar information.

Remember to keep track of your donations, because they are tax-deductible. You can also deduct mileage and actual reasonable expenses incurred as a charitable volunteer. However, you cannot deduct the time that you spend volunteering.

Of course, you do not always have to give to a charity. You may decide to give time or money directly to individuals in need. While that type of gift may not be tax-deductible, it can be just as important and even more powerful.

Giving money or time to others is a personal and private endeavor, and the causes that you choose to support and the amounts that you choose to give should be solely your decision. However, having a plan and a focus is more likely to help you feel good about the good that you do.

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