



Thursday, September 25, 2008

## Women and Philanthropy: 4 Ways to Get Started

### Women's growing financial power changes the world of philanthropy

By *Kimberly Palmer*

Posted September 23, 2008

Angelina Jolie isn't the only woman wielding her philanthropic power. As a result of their growing earning power, wealth, and financial control, women have surpassed men as the biggest givers, leading to shifts in how the philanthropic world operates.

Analysis of Internal Revenue Service data by Grant Thornton shows that for the first time, women gave more money than men in 2005, according to the latest publicly available tax return data. Women gave \$21.7 billion, compared with male donors' \$16.8 billion. Earlier this year, JPMorgan [reported](#) that two thirds of its philanthropic services clients are now women, a reversal of the situation several years ago.

"As women become more sophisticated and get involved in the workplace and world, we start to realize, there's a lot more [out there] than baking cookies and making pies—all of which is well and good, but there's also a world out there that we can serve and make changes to," says Pamela Fiori, editor-in-chief of *Town & Country* magazine, which puts out an annual philanthropy issue. Allianz Life Insurance Co. [estimates](#) that by 2010, 60 percent of the wealth in the United States will be controlled by women.

Fiori says the two genders often approach giving differently. "Women are looking for relevance, not tax deductions. They want to serve in some way. They feel it's their obligation and responsibility," she says.

Justin Ransome, a partner in Grant Thornton's national tax office, says he's noticed a similar trend among his clients. "Women tend to give without trying to seek a benefit in return," he says, while most of his male clients try to give as part of their estate tax plan.

But ignoring the tax impact of gifts has a downside. Grant Thornton's analysis of IRS tax data revealed that women were less likely than men to take advantage of tax benefits and sophisticated tax planning tools. Only 22 percent of women make use of trusts, compared with 26 percent of men. Women were also more likely to give cash rather than appreciating assets such as stock or partnerships, which come with greater tax benefits. "If you're trying to do estate planning, gifts of

cash are the worst thing you can do," says Ransome.

Other gender differences include women's preference for direct involvement in charitable work, as opposed to just donating money, says Fiori, which follows in the tradition of women like Eleanor Roosevelt and Brook Astor. "They only got involved with things if they could see them first and see how they worked before they gave their money or time," she says.

Lisa Philp, head of philanthropic services at JPMorgan Private Bank, says women often enjoy working together to fund projects. Giving circles, where a group of people pools money and then jointly decides where to put it, are one way to do that. Philp participates in one in New York that focuses on supporting projects or organizations led by Asian-American women. "You end up learning about more organizations than you would on your own and gain from the collective knowledge of others," Philp explains. Groups such as [Women Moving Millions](#) and the [Women's Funding Network](#) also help women get connected.

Here's a guide for getting started:

1) **Seek inspiration.** Women often get involved after a life event or experience that changes them, such as when a relative becomes ill with a disease, says Fiori. "It makes them realize they can do more than just empathize," she says.

2) **Recognize the nonmonetary possibilities.** *Town & Country's* June philanthropy issue highlighted a group of California moms who meet regularly to discuss ways they can make their lives more environmentally friendly. Women skilled in certain areas, from medicine to social work, can also volunteer their expertise to worthy causes.

3) **Before donating, do your research.** While most charitable groups are trustworthy, some fraudsters call themselves philanthropic organizations. The website [CharityNavigator.org](#) provides ratings and reviews.

4) **Get help.** Local giving circles and groups are easy to find in almost every town and city, and national organizations such as [Women Moving Millions](#) and the [Women's Funding Network](#) can provide guidance and support as well. And, of course, consult a tax adviser to make sure you're maximizing your giving power.

**Tags:** [money](#) | [working women](#) | [charity](#)

Add your thoughts

Subject:

\* Type your comments here: (3000 characters left)

Your name:

\* Your E-mail address:

\* State:

*Your comment will be posted immediately, unless it is spam or contains profanity. For more information, please see our [Comments FAQ](#).*