

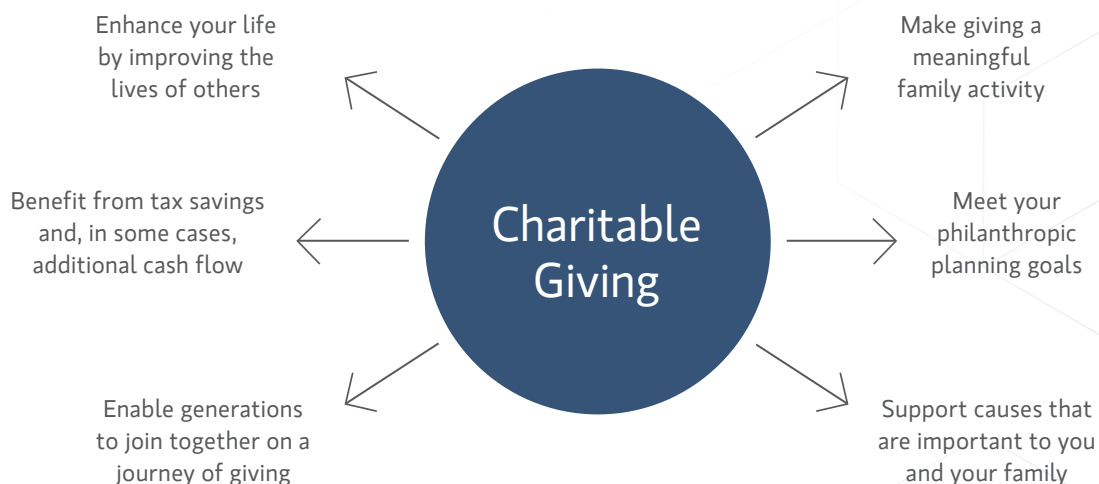
Morgan Stanley

Women and Philanthropy: Becoming the Change You Wish to See in the World

Women are poised to change the face of philanthropy. Currently, women control one-third of all U.S. household financial assets and the power of their purses is expected to increase as they inherit much of the \$30 trillion in assets that will be passed down to baby boomers by 2030.¹ There is ample evidence that women find it important to use their wealth to make a difference. In fact, 85% of household charitable giving decisions are made or influenced by women.² Since women often play key roles in educating other family members in giving, their philanthropic influence may extend far beyond their individual efforts.

Engaging in philanthropy—as an individual or as a family—can be one of the most meaningful and transformational aspects of your life. The benefits of charitable giving are not just measured in the dollars you donate or the financial benefits you may receive, such as tax savings or cash flow from charitable gift vehicles that provide distributions. When charitable giving is tied to issues, values and causes that are collectively important to you and your loved ones, it becomes more than a gesture or a transaction. It enables children, parents and grandparents to join together and work toward addressing or alleviating real problems in your local community or in the world at large. In this way, giving becomes a family affair, or even a family tradition, that is passed from one generation to the next.

Figure 1. Benefits of Charitable Giving



Getting Started with Effective Philanthropy

Every dollar you put into the world has an impact, but how do you ensure that your charitable giving aligns with both your values and the change you hope to see in the world?

Here is a quick roadmap for practicing strategic giving and maximizing your impact.

STEP

1 Find Your Philanthropic Passion

The first step in your giving journey involves finding your philanthropic passion. Start the process of purposeful philanthropy by considering what matters to you and what you hope to accomplish. Ask yourself the following questions:

- What fields of interest would we like our philanthropy to address?
- What criteria will we use to identify which organizations to support?
- How important is having control over how our gift(s) are used?
- How will we measure our impact?

Creating individual or family mission and vision statements around philanthropy can also ensure that your giving is guided by a consistent set of values and goals. Once you've established your guidelines for giving, you will want to identify causes, issues and organizations that you would like to support. Charity-ranking organizations such as Charity Navigator or BBB Wise Giving Alliance can be useful for assessing a nonprofit organization's financial health, operational transparency and accountability in reporting on progress.

STEP

2 Choose Ways to Give

There are many ways to give back, whether you choose to give money directly to a charity, create financial vehicles to facilitate giving or donate your time to volunteering for a nonprofit organization. Each of these ways has their advantages and disadvantages, and your Financial Advisor can help you determine which method(s) of charitable giving will allow you to practice purposeful philanthropy while still pursuing your other financial goals.

STEP

3 Practice Strategic Giving

You want your giving to count, and you want to know that your charitable dollars are making a meaningful difference. To maximize your impact, you may want to consider pooling your giving with that of other like-minded individuals and families who support the same cause. Or, you can choose to tie your gifts to specific programs or initiatives so you can track the effectiveness of your philanthropic dollars. It is also a good idea to stay engaged with the nonprofit organizations you support by requesting impact reports or even communicating with their leadership to understand their progress.

Ways to Give

There are many ways to give, each with their advantages and disadvantages.

CHARITABLE VEHICLE	CONTRIBUTION LIMIT	LEVEL OF COMPLEXITY	DONOR CONTROL	DOCUMENTS NEEDED	FEES AND COSTS
IRA Charitable Rollover	\$100,000	Low	Low	None	None
Direct Lifetime Donation	None	Low	Low	None	None
Charitable Bequest	None	Low	Low	Will, trust or beneficiary designation	None
Charitable Remainder Trust	None	High	High	Trust	<ul style="list-style-type: none"> • Legal fees to create a trust • Possible trustee, investment management, administration and tax preparation fees
Charitable Lead Trust	None	High	Medium	Trust	<ul style="list-style-type: none"> • Legal fees to create a trust • Possible trustee, investment management, administration and tax preparation fees
Donor-Advised Fund	Typically a minimum of \$25,000 for initial contribution and \$5,000 for additional contributions. Other conditions may apply.	Low	Medium	Agreement with charity administering fund	Administration and investment management fees
Private Foundation	Typically \$1 million for initial contribution or expectation that assets will total \$1 million by the end of the first year	High	High	Trust or corporate bylaws and governing provisions	<ul style="list-style-type: none"> • IRS user fee • Legal fees • Possible trustee, investment management, administration and tax preparation fees
Charitable Gift Annuity	Typically \$10,000 minimum of cash or stock. No additional contributions permitted	Medium	Low	Contract with charity	Administration and investment management fees
Pooled Income Fund	Typically \$10,000 minimum of cash or stock	Medium	Low	Contract with charity	Administration and investment management fees

Women's Attitudes Toward Giving

One study on this topic found women attitudes towards giving are forward thinking. They are:

1	Willing to consider experimental initiatives rather than known solutions	5	Motivated by their own experiences with gender based discrimination
2	Supportive of organizations focused on systematic change, not just direct services	6	Are more likely to give across a wide range of organizations
3	Focused on women and girls as a way to support global causes such as poverty and climate change	7	Often make philanthropic decisions independently from their partner or spouse
4	Committed to educating themselves before making a funding decision	8	Often express interest in involving the next generation in philanthropy

Maximizing Your Impact While Maintaining Your Balance

Your philanthropic potential is not limited to the gifts you give to causes and organizations that are important to you. One of the most important dividends of philanthropy is the meaning and joy effective giving can bring to your life. To maximize this impact, it's important to maintain your balance. Consider these five questions as you consider how to optimize the meaningfulness of your giving:

1. What focus will be most rewarding to you as a person?
2. How can you balance your personal philanthropic motivations with your family and other commitments?
3. How will you involve your loved ones in your philanthropy?
4. How will you find other donors who share your interests?
5. Are there people — friends, peers, family members, professional advisors — who can help you find your voice as a donor?

If you're interested in engaging in effective philanthropy but aren't sure where to begin, your Morgan Stanley Financial Advisor can connect you to professionals

¹ Washington Post. The wealth transfer from baby boomers mostly benefits women, January 16, 2024. Available at <https://www.washingtonpost.com/business/2024/01/16/women-economic-power-demographic-shifts/>.

² FBank of America. Charitable Giving by Affluent Households Above Pre-Pandemic Levels, Finds 2023 BofA Study of Philanthropy, October, 3, 2023. Available at <https://newsroom.bankofamerica.com/content/newsroom/press-releases/2023/10/charitable-giving-by-affluent-households-above-pre-pandemic-level.html>.

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