# The philanthropy toolkit - turning intention into action

**By Perpetual Private Insights**

7 February 2022



William James, the father of American psychology, once said, "... if one has not taken advantage of every concrete opportunity to act, ones' character may remain entirely unaffected for the better."

That's a bracing reminder for those of us who believe in philanthropy. How do we move from abstract thinking to making it happen? Or from reactive and occasional giving to a more planned, strategic committed approach?

Let's look at the questions that slow us down on the journey from good intentions to concrete action.

- How much can I afford to give?
- Who do I give to?
- What's the most effective way to use my money?

If we can't answer those questions, it's hard to act on our philanthropic instincts. The Stanford/Perpetual Philanthropy Toolkit squares those circles. Developed by Stanford University's Center on Philanthropy and Civil Society and refined for Australian philanthropists by Perpetual, it's whole aim is to turn good intentions into effective, enjoyable philanthropy.

## Stepping stones

Early in the Toolkit, you're guided through a series of worksheets that uncover the causes and issues you really care about.

Section Four (page 114 of the Toolkit)*, focuses on key practical elements like creating a philanthropy budget. The worksheets help you budget for philanthropy by helping you assess:

- Your current financial position
- The need to provide for your family
- Integrating your giving with existing commitments (investments, super, insurances etc) as part of your overall financial plan
- Potential changes to your 'giveability' – future expenses or sources of additional income that affect how much you can comfortably give – or how much you increase your giving in future.

## What type of giving?

The Toolkit also helps you decide how to allocate your giving across three categories:

- Proactive giving – Planned donations to organisations working in areas that matter to you (eg early childhood education, homelessness etc)
- Reactive giving – Donations in response to requests from others to support 'their' causes (eg an illness affecting a loved one)
- Emergency giving – Donations during natural or humanitarian crises, such as the 2020 bushfires.

Proving that you can do great things without taking life too seriously, the toolkit uses a clever, gamification approach, using Issue Cards and Coins to help you allocate specific funds to the giving type and issues you care about.

By the time you get to this part of the Toolkit you'll know how much you can give and how to best allocate your giving. That means you can give generously but affordably. Just as importantly, you're now on the path to giving strategically and over the long term, so you can make a bigger difference to the organisations and causes you feel are important.

## Structurally significant

The next step to cementing your giving is to choose the structure that works best for you:

- Direct giving
- Giving via a Private Charitable Trust
- Setting up a Private Ancillary Fund (PAF)
- Utilising a Public Ancillary Fund.

Choosing the right structure is a personal decision. But an expert adviser can help. Whether you choose to get advice or not, the Australian Giving Vehicle Comparison table on page 138 of the Toolkit is an invaluable guide to all the issues – the tax benefits, family involvement, minimum donations and the lifespan of your giving. It's a guide to giving with maximum impact but in a way that suits your personal, financial and family needs.

## Your move (but we're here to help)

The Perpetual/Stanford Philanthropy Toolkit is the product of wide research and constant testing with philanthropists and advisers in the US and Australia. It's a tool designed to make everyone's philanthropy easier and more effective. But without you – the individuals and families who choose to give – it's just a piece of paper (or more specifically, a piece of a PDF).

In this short video, Perpetual's Catriona Fay explains how philanthropy can help you pass on values as well as money.

## To make your philanthropy concrete:

- Download a copy of the Toolkit (if you haven't already)
- Talk to your Perpetual advisor about using the Philanthropy Toolkit to integrate philanthropy into your overall financial plan

- If you don't have an adviser but want expert advice on giving, fill in the form below and one of our Toolkit-trained Perpetual advisers will call to discuss how you can give more effectively.

## Want your copy?

Click on the button below for your free copy of the Perpetual/Stanford Philanthropy Toolkit.

Get the Toolkit

*The toolkit is designed in sections but you don't need to work through it sequentially. You can dive into the Section – or Sections – you need to move your philanthropy forward.

## Want guidance on making your philanthropy more effective and rewarding?

Get in touch with our philanthropy specialists via 1800 631 381, philanthropy@perpetual.com.au or by submitting the form below.

**Contact us**

Perpetual Private advice and services and Perpetual's Philanthropic Services are provided by Perpetual Trustee Company Limited (PTCo), ABN 42 000 001 007, AFSL 236643. This information has been prepared by PTCo and contains general information only and is not intended to provide you with advice or take into account your objectives, financial situation or needs. You should consider, with a financial adviser, whether the information is suitable for your circumstances. The information is believed to be accurate at the time of compilation and is provided by PTCo in good faith. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information. No company in the Perpetual Group (Perpetual Limited ABN 86 000 431 827 and its subsidiaries) guarantees the performance of any fund or the return of an investor's capital. Past performance is not indicative of future performance. This publication

may contain information contributed by third parties. PTCo does not warrant the accuracy or completeness of any wording in this brochure which was contributed by a third party. Any views expressed in this brochure are opinions of the author at the time of writing and do not constitute a recommendation to act.