



ELEVATE YOUR IMPACT

2023

The Guide to Being a Modern Philanthropist

This guide is intended to help Groundswell users understand some of the key elements of philanthropy - and help them make decisions on how to identify and donate to causes they care about on the Groundswell platform. It seeks to demystify and debunk some of the common misconceptions about being a philanthropist and empower users to have a meaningful impact through their donations.

How To Maximize Your Impact Through Groundswell

Overview



This guide is intended to provide resources and inspiration for Groundswell users on how to donate to causes they care about. It provides tips to best identify and donate to charities that have a proven track record of impact. It also discusses how to think about geography and size when deciding where to donate, and explains the ways in which even small, recurring donations can have be powerful for charities working on the frontlines every day.

Groundswell can be your partner in your journey as a modern philanthropist. Your donations are a critical part of addressing society's myriad issues, such as poverty, education, healthcare, and environmental concerns. And giving to others is also good for you. It has been shown that people who donate to charity experience increased happiness and well-being compared to those who do not give. This sense of satisfaction comes from the knowledge that your actions are making a positive impact on the world and helping those in need.

Through Groundswell, you can easily add funds to your account, browse or search for charities, and donate in a matter of minutes. In this guide, we help demystify some of the questions you might have as you consider where, when and how to donate.

6 Tips to Becoming a Modern Philanthropist

#1: Pick causes and charities that align with your values

When deciding what you want to support, start by taking into consideration the people, places, or problems that you care about most.

#2: Understand impact through the lens of size & geography

The geographic reach of different charities' programs, and how large or small they are, can help as you determine what to support.

#3: Evaluate best in class charities

Learn how to assess not only the financial health of an organization, but also what questions to ask when looking at other impact metrics.

#4: Set a giving goal

Decide how much you want to give annually through Groundswell, and follow the simple steps to set up contributions to achieve that goal.

#5: Maximize impact through recurring donations

Simplify your giving and provide nonprofits with a steady stream of revenue through monthly, recurring donations.

#6: Optimize your giving through tax-efficient strategies

Leverage the versatility of Groundswell to reduce your tax burden through payroll giving, stocks contributions, and bunching.

Six Tips to Becoming a Modern Philanthropist

#1: Pick Causes & Charities that Align with Your Values

Your giving journey often is deeply personal, rooted in your own values and lived experiences. When deciding what causes you want to support, it's important to start by taking into consideration the people, places, or problems that you care about most. Who or what do you want to impact? What cause is most aligned with that? Use that as a starting point to then find the charities best positioned to have an impact on what you care most about. Focusing on specific cause areas allows you to be more intentional about how you donate.



There are thousands of causes and more than a million nonprofits on the Groundswell platform that are tackling challenges from all different angles - ranging from improving K-12 education or finding a cure for Alzheimer's to reducing plastics in the ocean or protecting women's rights.

After determining what causes matter most to you, it's also helpful to identify the type of impact you are seeking to make. Are you interested in supporting organizations that are "on the ground" providing direct services or those doing longer-term, important policy and research work? That can help guide you in picking the charities that you want to donate to.

#2: Understand Impact: Size & Geography

Where to donate:

When deciding where to donate, it's also important to determine where you want that impact to happen. For many people, where they give is closely linked to where they live – their local food pantry, homeless shelter, house of worship, or neighborhood school.

Others may want to focus their giving beyond where they live and donate to organizations that operate in certain regions or even other countries. There's no 'right' answer - and many people choose to donate both locally and globally to a cause they care about. For example, you may want to support an organization that is both on the frontlines supporting refugees fleeing the conflict in Ukraine, as well as helping resettle refugee families near your town in the U.S.

Does size matter?

Similarly, there is no right answer for what size organization is best to donate to. Whether they are large or small, if they have a strong track record of impact and do not have a pattern of mismanagement of funds, they are worthy recipients of donations.

Many people want to donate to organizations that have a proven track record of implementing large-scale programs, or are on a strong growth trajectory, year over year. Larger organizations generally have shown their ability to receive larger amounts of funding, and in turn design and implement programs at a scale that have a greater impact towards the causes you care about most. But small organizations can also be extremely impactful - even if the radius or scope of impact is smaller. Although many of today's social and environmental problems are massive in scale, the vast majority of nonprofits are tiny; indeed, most nonprofits in the United States are small, grassroots organizations - and 20% have annual budgets of less than \$50,000. For smaller nonprofits, even the smallest donation on an annual or monthly, recurring basis can have a huge impact on their ability to sustain programs or even expand.

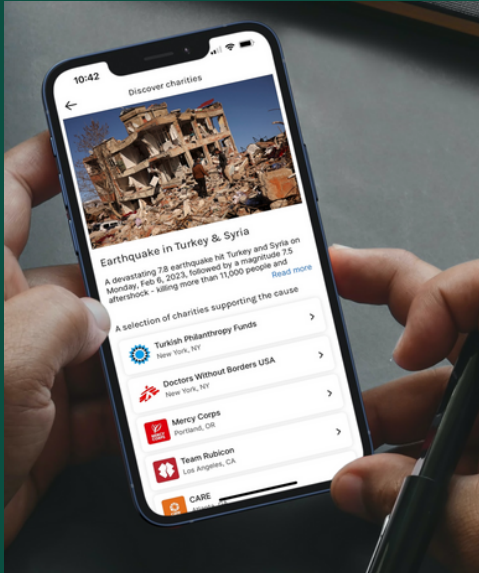
#3: Evaluate "Best in Class" Charities

There are multiple ways to assess the quality of a charity; many ratings sites focus primarily on financial metrics, but it is equally important to assess not only how an organization is managing its funds, but also the quality of its work. And while a rating system like Charity Navigator can be helpful, it is important to know that no rating system is comprehensive. Groundswell offers an important starting point - we only feature organizations that are in good standing with the IRS and eligible to receive tax-deductible donations.



- **Programmatic Impact:** Understanding a nonprofit's impact - through its programs and the populations that it serves - is an important way to evaluate its effectiveness in tackling the causes you care about. Many nonprofits provide details about programming approaches on their websites, including testimonials, photos, and reports detailing specific results. Keep in mind that understanding and assessing impact is highly qualitative - there is no clear 'score' - especially because what or who is being impacted varies across the thousands of nonprofits.
- **Financial Management:** Nonprofits, especially larger ones, are required to disclose details related to their financial performance annually – to include assets, revenue and breakdown of expenses in forms submitted to the IRS. Many nonprofits are proactively transparent about their finances and post audited financial statements and other reports on their websites. But financial data does not always tell a complete story. There may be important investments in fundraising staff, which two years later yield a windfall in donations that can be put towards programs.
- **Advisories:** Sometimes there are advisories based on pending or ongoing legal action. Groundswell works to monitor these advisories and remove any charities that it believes are acting improperly or mismanaging donor funds. We also remove any charities that have had their nonprofit status revoked by the IRS.
- **Groundswell-curated Featured Causes:** While many donors might want to do their own research, sometimes it's far easier (and efficient) to put your trust in others. Groundswell's impact team provides donors with additional inspiration, and has done the vetting work to determine cause-specific organizations that are well run and most importantly having a strong impact.

#4: Aim High with a Giving Goal



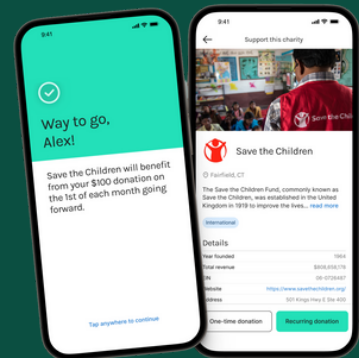
You can use Groundswell's calculator found under your Profile to set or edit your annual giving goal. This can be a flat amount, or a percentage of your annual salary. While estimates vary, a common range for giving as a percentage of annual salary is between 2-6%. The good news is that with your Groundswell Personal Giving Account, you can easily set up recurring contributions to stay on track to meet your goals. It's also important to maximize the matching offered by your company's giving program, where applicable. Your giving goal can help fund recurring donations, as well as account for unexpected events that you may want to donate to.

#5: Level Up with Recurring Donations

Recurring donations can be a great component of your philanthropic strategy - and there are benefits for both donors as well as nonprofits.

For donors, going on autopilot with recurring donations every month or quarter means you don't have to think about it or go through the steps to do it on a regular basis. Put simply, it's a smart use of your time. It is also a symbol of a donor's commitment to a cause, and a belief in the nonprofit's ability to have a positive impact - not just in a moment of crisis, but on a continuous basis. Groundswell's recurring contributions and donations features help facilitate recurring giving.

For charities, recurring donations provide a steady, predictable stream of revenue that helps with budget planning. For many organizations, large or small, recurring donations can have a huge impact. Similar to the trends in grassroots political fundraising, having a large number of small-dollar donors is good for nonprofits. It helps them build awareness, and shows to the larger-dollar donors that there is a community that believes in the nonprofit's mission. It also helps de-risk; nonprofits with one or two large donors and very few small-dollar donors can run into major problems if any of those large donors stops supporting their work.

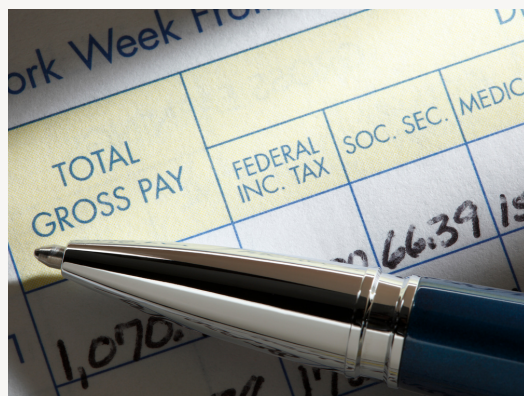


#6: Optimize Your Tax-Efficient Giving

You can leverage the versatility of your Groundswell Personal Giving Account, which is underpinned by a Donor-Advised Fund, to be strategic and reduce your tax burden.

Donate Appreciated Stock:

If you have appreciated stocks that you've held for more than a year and you contribute them to your Groundswell account, you won't have to pay capital gains tax on the appreciation. Plus, you'll be eligible for a tax deduction for the full fair market value of the stock at the time of contribution into your Groundswell account.



Give with Payroll:

You can leverage Groundswell's Payroll feature to make giving more tax efficient. Contributions to Groundswell through payroll deductions are eligible for an immediate tax deduction for the amount contributed. This means that your taxable income for the year is reduced by the amount of your contribution. Contributing on a recurring basis via payroll also makes it easier to "set and forget" and achieve your giving goals more efficiently.

Bundle Contributions:

You can also take advantage of the Donor-Advised Fund structure of Groundswell to make a larger contribution in a single tax year and maximize tax benefits by itemizing deductions in the year that the larger contribution is being made - commonly known as "bunching".

For example, if you typically give \$5,000 to charity each year but decide to give \$25,000 to your Groundswell account in one year, you can itemize your deductions that year and take the standard deduction in the following years. By doing so, you may be able to reduce your tax burden over time while still supporting the charities you care about.



Groundswell is your ally in corporate philanthropy.

Corporate giving programs aim to empower employees and help companies facilitate and support philanthropic efforts. As global access grows and corporations become more diverse, employee representation becomes an increasingly important subject.

Groundswell enables companies to lay the foundation for their employees to adopt a generous giving attitude towards charities and world-shaping efforts.

Want access to other toolkits like this?

Reach out to us hello@groundswell.io