

# How to get the most out of your holiday donations this year

These 5 steps can help you ensure that you're doing the best you can to make a difference.

#### By Evan Feinberg, Executive Director, Stand Together Foundation

Now is the time of year when Americans do what they do best: give.

We are some of the most generous people in the world, giving away time, talent, and treasure to improve the lives of others. Americans gave <u>\$481.85 billion</u> in 2021, and the largest single source of that money was not corporations, foundations, or trusts — it was individual people.

And that spirit is becoming ever more important, as the demands on the social sector grow with economic instability and inflation.

We all want to support organizations transforming lives and driving positive social change," but, to get the most out of your holiday donations, we need to think differently.

Here are five steps you can take to help ensure that you are actually supporting nonprofits making a difference.

# Step 1: Don't just give to the easiest-to-find organizations.

Charities that are easy to find and have broad name recognition may be spending more of their money and efforts on advertising and reaching donors — that's you — than actually empowering people to transform their lives. Because most of what is measured by the biggest names in the social sector focuses on conventional metrics like beds filled or meals served. The vast majority of statistics used in their nonprofit impact reports focus on how your dollars are spent, rather than the difference they make.

If you're looking for groups that are truly empowering people, you're going to need to look for social entrepreneurs. Rather than focusing on alleviating symptoms of poverty, they tackle the root causes holding people back. They don't just help people survive today. They help them thrive tomorrow. (Step 2 is a great way to identify them.)

# Step 2: Spend an hour asking questions.

There are better ways than glossy reports, name recognition, or charity-rating websites to get information about nonprofits that actually make a difference.

Like an investor, you can reach out to an organization and ask them questions directly. Or even better, do the leg work, head down there, and talk to the people that they serve.

Ask them: Did it make their life better? Did it empower them? In small or transformational ways? Would they tell other people to work with that nonprofit?

# Step 3: Look at the people on the other end.

Always look for organizations that prioritize relationships with the people they serve over the services they provide. Relationships out-compete services. If you can't yourself develop relationships, find opportunities to support organizations driving positive social change who *are* establishing relationships versus transactional services.

A relationship can help people live lives of meaning and purpose, and improve their lives in substantial ways versus superficial ones.

#### Step 4: Consider the "chronic condition" you want to treat.

Which nonprofits making a difference speak the most to you? Those that want to eradicate poverty or housing security? Organizations that want to help advance new models of education to help people realize their potential?

Once you have a cause you are passionate about, think about it how a doctor would. When someone has an acute injury or sickness — a broken bone; a nasty infection they go to an emergency room for treatment. At the ER, the immediate issue is fixed, and the person is sent on their way.

But the ER isn't the appropriate place to treat a *chronic* condition; those that may require long-term, regular, or specialized treatment. In medicine, you solve problems with the right intervention. Think of organizations driving positive social change in the same way.

Do they help a person in the short term, but don't empower them to change their lives?

#### Step 5: Remember: it's not about you.

Finally, look for organizations that treat you as a long-term investor, not a customer who needs to be "sold" on giving to them. Nonprofits making a difference know that their "customers" — the people who they create value for — are the people that they help, and they prioritize their focus accordingly.

If you're going to be a donor, be an investor. Make sure you understand the value that an organization is creating for the people they serve, what their key challenges are, and how they're innovating and improving people's lives for the better.

#### **Donations That Make a Difference**

Making the most of your donations isn't easy — but tackling big issues and making a lasting change in someone's life never is.

This holiday season, you can give better. Don't just give out of good intentions; give in a way that will yield the most return on your investment.

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