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PHILANTHROPY VERSUS CHARITY – TWO SIDES OF THE SAME COIN?

Are “philanthropy” and “charity” synonymous? And regardless, who really cares? The answer is no, they are not synonymous, BUT both acts in concert are essential to improving humanity and eradicating society’s problems by treating the root cause or the symptoms of those problems respectively. Both philanthropy and charity are motivated by compassion, a desire to make a difference, and the aspiration to give of oneself to create a positive impact on society and the world. Whether feeding the poor, providing health care for the sick, saving the environment or expanding cultural opportunities, philanthropy and charity help both the giver and receiver physically, emotionally and financially. While the motivation for both philanthropy and charity is essentially the same, the means and outcomes of these two acts are distinct.

Philanthropy is broader. It is designed to identify and solve the root cause of a problem and therefore create long-lasting change. On the other hand, Charity is focused on relieving immediate suffering or improving a specific situation. Charity is, by its nature, short-term. Feed a man a fish and he will eat for a day, teach a man to fish and he will eat for a lifetime. Both acts serve important roles in improving humanity and helping to alleviate the suffering and needs of those throughout the world. The charity of giving clothing to survivors of natural disasters is just as essential as the philanthropy of giving of one’s time and money to build a school in a low-income neighborhood. The next question becomes, should my philanthropic or charitable activity be anonymous?

While some givers may wish to remain anonymous to avoid attention or keep their affiliation with an organization private, the overwhelming majority of charitable organizations and philanthropic causes would encourage the opposite. Bill and Melinda Gates were recently quoted as saying... “Often givers are modest and do not want recognition,” but role models like Bill and Melinda Gates encourage and promote the activity of “noisy giving”. Humility and quiet giving is virtuous, but noisy giving can have the positive effect of encouraging friends and strangers alike to follow suit and replicate the positive action. Noisy giving can be the difference between “charity” and “philanthropy” because the aggregate impact of the giving of friends and strangers has the potential to increase the saliency of the root of a problem instead. While charity fulfills people’s basic needs, philanthropy

has the potential to fulfill more holistic long-term needs such as self-actualization that can help repair the world instead of treating its ailments.

In Judaism, the concept of tikkun olam has been taught since the early rabbinic period. The phrase literally means “repairing the world,” and the philosophy is that humanity has a shared responsibility to heal, repair and transform the world and those within it. This can be accomplished in a variety of ways including not only monetary contributions, but also giving of time, talent, or treasures. So who really cares? Those who have charitable or philanthropic motivations can benefit from understanding the distinction between these acts to identify what causes they should become involved with and determine how to participate in a way that will have the greatest positive impact.

As charitable and philanthropic advisors, we must collaborate to provide financial, tax and legal knowledge necessary to create meaningful, impactful and measurable planned gifts. The desire to give, to positively change the world, and to solve problems of various sizes, is merely the first step. Beyond the motivation, it is important for the giver to consult with planners to determine possible tax implications of their giving as well as to determine what the charities and philanthropic organizations themselves need from us to create a meaningful and impactful gift.

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