

Executive Summary of

What Your Money Means
And How to Use it Well
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What Your Money Means

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Published by The Crossroads Publishing Company.

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PART I WHAT YOUR MONEY MEANS

CHAPTER 1 MONEY DEMANDS ANSWERS

*"We are tested by wealth
as gold is tested by fire."*

—Chinese proverb

People spend years learning how to make money but never expect spending it to be so challenging. An increase in wealth raises many questions, a key one being, "How much money is enough?"

If I have more than one family can use, should I give the rest away? If so, how much? When? Would giving substantial amounts today be good for my family, for my business, or even for the needy?

I decided years ago to tackle this problem of wealth and its obligations. I wanted to figure out just what it means for us to have money and what we should be doing with it.

Four Keys to handling anything—including money—the way it should be handled:

1. Find out the truth about how things are now.
2. Discover the truth about how they're supposed to be.
3. Figure out how to change things from how they are now to how they're supposed to be.
4. Make myself want to change them enough that I'll do what's necessary to bring about that change.

Money demands answers. The more it grows, the more difficult the questions become. Chief among those questions is, "Am I using my money as I ought?"

CHAPTER 2 THE MEANING OF YOUR MONEY AND MINE

“The unexamined life is not worth living.”
—Socrates

Unexamined wealth is not worth having. It can be downright dangerous to those of us who have it and to those we love. Here are some larger truths that should inform how we spend our money:

THE BOUNTY OF THE EARTH IS FOR ALL

We weren't just placed on this planet; it was *given* to us for our home. We didn't purchase it; we didn't inherit it; it was *given*.

Earthly goods aren't merely available to those who chance upon them; they've been placed here to provide the essentials to all who have ever lived. No matter how much wealth we acquire, we are never more than stewards of those goods that have been placed for a time in our hands.

Earthly goods have not merely existence, they also have a *purpose*; a specific destination they are intended to reach: every living person who needs them for well-being. There's no one to whom they are by nature denied. The goods of the earth are meant for everyone.

If God provided everything for everyone, why do we so easily think that property is ours? How did private ownership of property arise?

OWNERSHIP IS THE PRUDENTIAL DIVISION OF PROPERTY INTO YOURS AND MINE

Private ownership does not derive from nature; rather successful societies have adopted it because experience shows that private ownership is the best way to draw forth from the earth the maximum benefits for the most people.

Thomas Aquinas noted three things about private property:

1. Because people tend to take better care of their own property than community property, private ownership makes for better care of all property.
2. When some goods are clearly designated mine and others yours, and these divisions are publicly recognized by law, there are fewer disputes within society.

3. If I know I will own and enjoy the fruits of my labor without undue influence of others, I will likely work harder to draw from my property the good things it can yield.

*“Private ownership promotes a wealthier and more harmonious society
by creating incentives for owners to treat their goods better
and to bring forth from them greater wealth
than would otherwise be.”*

Wealth isn't meant merely for those who hold it. Who exactly is it meant for, and how should it get to them?

CHAPTER 3 HOW MUCH IS ENOUGH?

*"If you can actually count your money
then you are not really a rich man."*

—J. Paul Getty

Can you spare any of the wealth you currently have?

To answer this question, you have to determine how far your own obligations extend and whether you have enough money to cover them now and for the future. Only after doing this will you be able to address the question of what to do with what's left over.

Four categories that will help you determine your financial situation:

1. Bare Necessities

To find out how much money is enough for our bare necessities we have to ask ourselves: "How much do I need just to keep myself and my dependents alive with nothing left over?"

2. Genuine Needs

Genuine needs are the things a person must have in order to develop as he or she should, physically, morally, intellectually and spiritually. People who can't afford to pay for their own genuine needs and the genuine needs of their dependents don't have enough money-

3. Profession-related Needs

Profession-related needs are those things required in order to fulfill our profession in life. Such needs make a huge difference in how much is enough for each of us, and can require lifestyles that may seem selfish or indulgent.

How much is enough for my profession-related needs? Ask yourself: "How much does it cost to finance those things I need to fulfill the responsibilities imposed on me by my profession?"

It's important to practice detachment. No matter my station in life, I'm just a trustee; someone who's been offered these things in order to fulfill the profession that's mine alone to fulfill. I've got to remember that even the things I legally own are really only borrowed.

*“Receive wealth or prosperity without arrogance;
and be ready to let it go.”*
—Marcus Aurelius

4. Beneficial Goods

Beneficial goods are those things that are good for us, but whose lack doesn't ordinarily prevent us from becoming the persons we're meant to be, physically, mentally and spiritually. They are things that would improve us as people but aren't essential to our development.

To distinguish genuine needs from beneficial goods, ask: “Would it be morally permissible to refuse this, if someone offered to provide it for free?” If it can legitimately be refused, it's not a genuine need but a beneficial good.

We have enough if we can pay for:

- our own *bare necessities* and those of the people who depend on us;
- our own *genuine needs* and those of the people who depend on us;
- our own *profession-related* expenses,
- *beneficial goods* for ourselves and for those who depend on us.

CHAPTER 4
THE FUNDAMENTALS AND NON-ESSENTIAL WEALTH

*“We make a living by what we get,
but we make a life by what we give.”*
—Winston Churchill

The fundamentals provide all the things money can buy to ensure that persons develop as they ought and become as productive as they can be as individuals and citizens.

The money that remains unspent after the *fundamentals* have been paid for is what we call *non-essential wealth*. It's not demanded in any way by the obligations inherent in our circumstances and state in life. It's the wealth left over after providing the fundamentals for ourselves and others.

PRACTICING DETACHMENT

Freely giving up things to which we're entitled is one of the non-monetary fundamentals that form us into the persons we ought to become, and helps us remain so.

So long as we're not doing evil things, is there anything wrong with doing and enjoying the things we like? There can be. We must be careful because non-essential wealth can be volatile and dangerous.

What are the dangers inherent in non-essential wealth? How can these dangers to ourselves and others be avoided?

CHAPTER 5
NON-ESSENTIAL WEALTH THREATENS THOSE WE LOVE

*“He does not possess wealth
that allows it to possess him.”*
—Benjamin Franklin

The good or neutral things we can do with our non-essential wealth fall into a few categories: We can hold onto it until our death (when we bequeath to others, to the government, or to charity), or we can get rid of it sooner by spending it or giving it away.

How can we use non-essential wealth to bring about the greatest good and do the least harm? Keep these six truths about non-essential wealth in mind:

NON-ESSENTIAL WEALTH CORRUPTS MANY WHO GET IT

One caution about giving non-essential wealth to others is that, even if it doesn't harm them, they may simply waste it. Not having come to associate new wealth with heavy labor or great expenditure of energy to earn it, the suddenly wealthy look on their wealth lightly.

Money can seriously damage those who receive it, particularly when those people are young and come into wealth before their characters have been formed. Both great wealth and deep poverty can be serious obstacles to moral and spiritual development.

NON-ESSENTIAL WEALTH STIFLES INITIATIVE

*“Character cannot be developed in ease and quiet.
Only through experience of trial and suffering can
the soul be strengthened, ambition inspired,
and success achieved.”*
—Helen Keller

Not only can non-essential wealth take away the incentive to work hard, it can insulate young people from wisdom and delight. It can deprive young people of many of the environmental spurs they need to become solid citizens.

NON-ESSENTIAL WEALTH IMPOVERISHES HUMILITY AND GRATITUDE

Materialism is rapidly transforming the spiritual landscape of our culture and leading us away from the wisdom rooted in gratitude. Too often we see instead

greater acquisitiveness, less care for the future and a growing blindness to the needs of others.

Large amounts of non-essential wealth can create in any of us the illusion that somehow we're not really vulnerable, we're not dependent on the laws of the nation, or even the laws of the universe, in the same way as those of modest means.

Non-essential wealth can awaken arrogance and create a false sense of independence in experienced men and women who should know better. It's even more likely that receiving non-essential wealth will trip up young people who have little experience in the real world.

NOT ESSENTIAL WEALTH THREATENS IDENTITIES

The fact that others suddenly began to treat us with greater deference than they did before we had money can lead to an initial period of elation that's then overcome by fear, a sense of isolation, and, finally, cynicism.

Because money attracts to the wealthy many ungentle souls, and even predators, those who receive it can grow quickly unsure about where to turn and who to trust.

NON-ESSENTIAL WEALTH CAN LEAD TO QUICK FIXES

To those who suddenly acquire non-essential wealth, it may seem that money can solve almost any problem without their having to exercise patience, humility or perform difficult acts of sacrificial love that mends rifts between souls and builds strong and loving communities.

Young people who suddenly find themselves with non-essential wealth are prone to use money to paper over problems that call for an interior change—problems that are the stuff from which maturity grows.

NON-ESSENTIAL WEALTH CAN BRING WITH IT IRRATIONAL GUILT

If we can provide the fundamentals to another person, that's great. But to do more—to give them non-essential wealth—may well be the worst thing we could do for them. All we're adding to their lives is danger.

Though it may seem selfish, in most circumstances, spending our non-essential wealth on ourselves may be better than providing others with non-essential wealth that has the risk seriously harming them.

CHAPTER 6
NON-ESSENTIAL WEALTH THREATENS US, TOO

*“Yet the possession of much wealth increases the weight of care,
which is a great distraction to a man’s mind.”*

—Thomas Aquinas

Long hours, lots of stress, lots of travel; they’ve earned me lots of money and the right to spend it as I please. Does that include spending it on my family and myself? Will doing so harm us somehow?

Great wealth can:

- kill motivation in my dependents,
- isolate them from the consequences of their actions,
- stifle their gratitude and humility,
- keep them from becoming the persons they ought to become,
- and generally spoil them.

Even if we are generally immune to the more public forms of corruption seen in the spoiled rich, we can get tripped up in ways that are harder to see and harder to remedy.

NON-ESSENTIAL WEALTH CAN DISTRACT US

Anyone with non-essential wealth is vulnerable to being consumed by interests that may not justify the time and resources devoted to them. Non-essential wealth enables us to afford so much that those of us who have it are vulnerable to being drawn more deeply into such activities than is good for us.

NON-ESSENTIAL WEALTH CAN INCREASE FRUSTRATION

Fine things can sometimes be snares that catch us unawares. They awaken greater expectations that leave us more easily disappointed and more quickly upset when they aren’t what we thought we were paying for.

THE LAW OF RISING EXPECTATIONS

The more we expect from something,
the more vulnerable we are to disappointment
and the unhappiness and vices that come from it.

THE LAW OF DIMINISHING RETURNS

As we pay ever more money for goods and services,

we always reach a point where our increased expenditures simply increase the disproportion between how much we pay and what we get.

NON-ESSENTIAL WEALTH CAN AMPLIFY OTHER PERSONALITY FLAWS

When we spend our money on things that please us regardless of their intrinsic value, we wind up isolated within ourselves. We're more likely to be dominated by unpleasant personality traits that would be moderated if we sought to govern our minds and actions by an objective standard.

*"Money doesn't change men, it's merely unmasks them.
If a man is naturally selfish or arrogant or greedy,
the money brings that out, that's all."
—Henry Ford*

NON-ESSENTIAL WEALTH INVITES VANITY SPENDING

Although I know my wealth is not the measure of my worth, am I sustaining a level of consumption that can only be explained as an effort to impress others with my money and social status?

Pleasure and comfort are not the measure of a man—not even greater pleasure and comfort than others have.

NON-ESSENTIAL WEALTH IMPOSES NO INTRINSIC LIMITS ON SPENDING

How do we determine what is excess and what isn't? If we let desire be our guide, we'll never find a limit. The problem is that non-essential wealth tempts us to do just that.

The problem with non-essential wealth is that it doesn't merely invite us to entertain limitless desires; it tempts us to seek their fulfillment. Such attempts can consume us.

NON-ESSENTIAL WEALTH PROMOTES PSEUDO-RESOLUTIONS OF REAL PROBLEMS

Wisdom comes from genuine encounters with the world and others in it, encounters that are sometimes painful. Nonetheless, bearing pain for the sake of wisdom and the community it builds is preferable to throwing money at problems.

Papering over problems with money is just another way of spending money on ourselves. It diminishes us and leaves us more isolated and unhappier than before.

Spending non-essential wealth on ourselves is hazardous. What are some ways to spend it that aren't hazardous?

CHAPTER 7 MONEY IS GOOD

*"The rich would have to eat money,
but luckily the poor provide food."*
—Russian proverb

What does it mean that you and I have money and others don't? Can it be that God or Providence or Chance merely intends to bestow on us the means to have greater ease and pleasure? Is the meaning of our money that we have a good time while others suffer?

Or is there a higher purpose for our money?

MONEY FACILITATES THE TRANSFER OF GOODS AND SERVICES

Money is a medium of exchange that eases the transfer of goods and services between persons. It can be love in action, love that might be intended but couldn't be made effectual without money. Money serves as a unifying force and facilitates deeds of love by which we can bestow on others the good things they need.

MONEY INCREASES THE INTERDEPENDENCE OF HUMANS

The value of our money depends on the character and efforts of tens of thousands of others; the more money we spend, the more dependent we are on their character and efforts. Paradoxically, money gives us greater independence while making us more dependent on others.

WEALTH SHOULD BE VALUED BY THE ENDS IT SERVES

The fundamental meaning of wealth is rooted in the fact that it eases the transfer of goods and services between persons. At its core, *money is a servant*.

Unlike land, buildings and other, less liquid, forms of wealth, money has no intrinsic value. Money comes to life only as it's spent. This is one reason why money alone doesn't produce peace or happiness.

Wise souls never forget that money
is just a means to ends outside itself.
They remain vigilant against confusing
their net-worth with their self-worth.

The redemption of wealth is possible precisely because wealth derives its primary meaning from the ends it serves. Wise persons subordinate their wealth to higher values.

Wealth is meant to foster and protect those things, activities and values that are true, good and important in life. These include things that rich and poor alike ought to treasure: faith, family, friendship, community, honor, love, service, freedom and beauty.

By means of our money we can become better persons, and we can make better persons of those close to us. Part two of this books shows how.

PART II WHAT YOUR MONEY CALLS YOU TO DO

CHAPTER 8 NON-ESSENTIAL WEALTH IS FOR THE NEEDY

“That man is richest who, having perfected the functions of his own life to the utmost, has also the widest helpful influence, both personal and by means of his possessions, over the lives of others.”

—John Ruskin

Any wealth we have beyond the fundamentals should be used for the well-being of others, and specifically to provide the fundamentals to those who lack them. We must use wealth to serve the common good.

The ***universal destination of goods*** means that once we have provided for our own fundamentals and the fundamentals of those who depend on us then—if others clearly and urgently needs—it ceases to be ours to use for ourselves. We must use it to serve the common good.

Once we have the fundamentals for ourselves and our dependents, anything left over continues to be ours legally, but it's not for our use. It's meant to provide for the common good.

Put another way, when we fail to use our non-essential wealth to provide for the common good, we're withholding from others what is theirs by virtue of their neediness and the universal destination of goods.

CHAPTER 9
VIRTUE: THE FIRST VOCATION OF THOSE WITH MONEY

*“There is no greater wealth than virtue,
and no greater loss than to forget it.”*
—Tiruvallavar

In reaching higher, I’m not really doing anything extraordinary. I’m merely aspiring to the goal that animates all men and women of goodwill, all serious Christians, and believers in many other religions.

Regardless of our state in life, we are not to live for ourselves, but to acknowledge our Creator and to do that which we believe he put us on earth to do.

Even atheist have an inkling of this singular calling when they catalogue their talents, desires and opportunities; consider the needs of those around them; and decide that this is what they are called to do with their lives.

Even atheists are able to find in the elements of their lives this special summons that God has given them, the task that is uniquely theirs: their vocation.

The nature of property leads us to conclude that we must use our non-essential wealth for those who lack the fundamentals. That conclusion, however, doesn't address the question of whether using our non-essential wealth for others means we must cease to own it. There may be ways we can retain ownership while living in accordance with the ethical demands implicit in its ownership and the universal destination of goods.

Some persons may be morally obliged to retain ownership of their non-essential wealth in order both to ensure that in the present it is used for the benefit of many and that, in years to come, through their success in increasing it, there’s yet more to be used for those who lack the fundamentals.

Managing our wealth to bring about the universal destination of goods may be the path to virtue: the way that we fulfill the will of God for our lives.

CHAPTER 10
WEALTH CREATION: THE SECOND VOCATION OF THOSE WITH MONEY

*“I believe the power to make money is a gift from God ...
to be developed and used to the best of our ability
for the good of mankind.”*
—John D. Rockefeller

Wealth creation does more than bring in money by transferring it from one pocket to another. It increases the amount of wealth in the world so that everyone winds up better off financially.

WEALTH CREATION SERVES THE UNIVERSAL DESTINATION OF GOODS

“The best philanthropy, the help that does the most good and the least harm, the help that nourishes civilization at its very root, that most widely disseminates health, righteousness and happiness, is not what is used to call charity. It is, in my judgment, the investment of effort or time or money, carefully considered with relation to the power of employing people at a remunerative wage, to expand and develop the resources at hand, and to give opportunity for progress and healthful labor where it did not exist before.” —John D. Rockefeller

*“Wealth as a whole consists in using things rather than owning them;
it’s really the activity—that is, the use of—
property that constitutes wealth.”*
—Aristotle

What if you and I retain control of our non-essential wealth but don’t spend it on ourselves or simply hold onto it? What if we employ it in wealth-generating businesses that not only earn money but create wealth and improve the lot of everyone whose lives their efforts and products touch?

SOME PEOPLE HAVE A VOCATION TO CREATE WEALTH

If we have a knack for creating wealth, it isn’t a meaningless part of who we are or an element of our souls we can ignore as irrelevant in determining what we’re called to do.

Making money is not for itself but for a purpose higher than itself. Specifically, the creation of wealth can be a vocation. So long as we can continue to create wealth efficiently, we have a general obligation to do so.

We are called to be stewards of creation, to ensure that, to the extent that we have ownership or authority over them, the goods and services needed by the poor don't lie fallow, don't get squandered, don't get used inefficiently, and don't get diverted to the private use of a few individuals whose fundamentals are already secured.

Our non-essential wealth is akin to money that has been placed into the hands of a venture capitalist. Although he has control over it, that wealth doesn't belong to him. He's charged with working that money to yield the greatest return for his investors.

If we have a vocation to create wealth, then so long as we're willing and capable of doing so, it's appropriate for us to retain control over some portion of our non-essential wealth in order to use it to create new wealth that will help bring about the universal destination of goods.

THE MEANING AND VALUE OF THE VOCATION TO CREATE WEALTH

If you have a vocation to create wealth, it's not because of your own merit. You have been given a gift and a calling you should use to help provide the fundamentals to others. It's a privilege to be called to the noble work of the wealthy, but it's also a responsibility not easily fulfilled.

*"To ensure that I continue to live in accordance with this high call,
I strive always to awaken and keep alive in my soul
the virtues of public-spiritedness, honesty, humility,
faithfulness, fairness and temperance. I strive to remind myself
that I'm simply a steward, and that I have my wealth
so I may use it to meet genuine human needs."*

CHAPTER 11
GIVING: THE THIRD VOCATION OF THOSE WITH MONEY

“Be charitable before wealth makes the covetous.”
—Sir Thomas Brown

There are many good reasons to begin transferring non-essential wealth, at least some of it, before we reach the point where we can no longer create new wealth with it. Four reasons for *giving now*:

1. GIVING NOW SAVES THOSE WHO CAN'T AFFORD TO WAIT UNTIL TOMORROW

Before we divert some of our money from wealth-creation to philanthropy, we should take into account the financial-opportunity costs of such diversion. But we also shouldn't ignore the heavy personal-opportunity costs paid by those whose lack of fundamentals today will leave them diminished for years, perhaps even a lifetime.

2. GIVING NOW KEEPS MONEY FROM MISUSE BY THE GOVERNMENT

Money that falls into the hands of the government is deprived of all the incentives that make private property such a useful tool. There's a great likelihood that the wealth taken by the government through taxation will be used less efficiently for the common good than it would have been had it remained in the hands of individuals.

Giving money to charity today keeps it from being taxed tomorrow and thereby withholds at least that much money from the less-efficient hands of the government.

“Giving money and power to government is like giving whiskey and car keys to teenage boys.”
—P. J. O'Rourke

3. GIVING NOW ENABLES US TO FULFILL THE OBLIGATIONS OF OUR MONEY

Insofar as you can shape your own life, you should use your intelligence, understanding, talents and money to bring about the universal destination of goods. You are called to be a means to share the goods of the earth that were put here for the well-being of all.

4. GIVING NOW FORMS US IN VIRTUE

To keep your attitude toward your possessions from becoming grasping, you need to loosen your grip on some of it on a regular basis—and do so cheerfully. You don't have to believe in God to grasp the fundamental truth of the psalm, “Blessed is he that considers the poor and needy: the Lord shall deliver him in the time of trouble.”

In such generosity there's wisdom, goodness and virtue—all of which only come when you loosen your grip on your wealth.

“Every year I make myself give away some of my money, even though I might be able to use that money to create more. ... Those of us who have a vocation to create wealth ought regularly to hold back some of the wealth we would use for that purpose and simply give it away.”

Regular giving keeps us mindful of the meaning and purpose of our money and helps sustain the spiritual detachment toward money that's essential to use it for others cheerfully and without resentment.

Four primary virtues that make giving easier:

Faith in Providence

Giving money away brings us up against my professed conviction that God will guide the hands of others in their work just as he has guided ours. Writing a check forces us to act on that faith.

Humility

Giving money to others forms humility in us. When we turn over some of our money to others to use as they see fit, we acknowledge that they may be able to do more good with that money in their fields than we can in ours.

Generosity

Those of us who are creating wealth now need to practice giving now so that later we'll have the strength of character and the virtue of generosity it will take to give away the great amounts that our wealth continues to bring us.

Good Example

Today's generosity may waken generosity in those we love such as our spouse, children and others close to us who are at risk because of the dangers inherent in wealth. Our example may help keep them from succumbing to the vices that affect many with non-essential wealth.

CHAPTER 12 THE BEST WAYS TO GIVE

*“Set apart a tithe of all the yield of your seed
that is brought in yearly from the field.”*
—Deuteronomy 14:22

TITHE REGULARLY

When we don't follow a plan and schedule for giving, we find that at the end of the day we just never manage to give enough away. There are always reasons to hold back until next week. That's why, regardless of our circumstances, we should discipline ourselves to give away some of our wealth regularly according to a predetermined plan.

- Giving **3%** is so little that it's not likely to be felt.
- Giving **20% to 30%** is so much that in hard times we'll be tempted to stop giving.
- Giving **10%** is, for many, the most that can be regularly given without serious hardship.

Ten percent is enough to feel the pain of giving and require a serious act of the will, but 10% of the after-tax increase in our net worth isn't so much that our wealth-creation efforts will be crippled.

Begin modestly and develop the habit of generosity one step at a time:

CONTRIBUTE FROM CAPITAL NOW

Do what you can to ensure that you minimize the portion of your estate that goes to the government. We are indispensable in creating wealth, and we're the persons called to use it for the common good. By not doing so, we risk allowing a significant portion of our money to slip into the coffers of the government, ensuring that it will never be used for the ends we were called to use it for.

Since you and I have, by virtue of our money, incurred a considerable responsibility to serve the common good with it, it's far better that we do the spending than that someone else do it when we're no longer able. Others can't fulfill the responsibility given to us.

*“We should undertake a lifetime distribution program
that will enable us to give away most, if not all,
of our non-essential wealth by the time we die.”*

The best we can do is make good-faith effort to calculate a lifetime rate of distribution today that should result in all our non-essential wealth being distributed before we die.

Here's a formula for giving that should enable us to live in accordance with the purpose of the non-essential wealth we've been permitted to have. Each year, we should contribute to the common good whichever is greater:

1. 10% of the increase in our net worth,
2. 10% of the value of our annual living expenses,
3. An amount equal to our net worth, divided by the number of years we can reasonably expect to live.

THREE ESSENTIAL OBJECTIVES IN GIVING

1. Keep as much of our non-essential wealth as possible out of the hands of those who would be inefficient in using it.
2. Ensure that more of our non-essential wealth serves the common good instead of being diverted to private use by those who may control it after we're no longer able to do so.
3. Fulfill the particular responsibility for the right use of this wealth that was given to us and to no one else.

CHAPTER 13
LET GIVING NOW BE A SCHOOL OF VIRTUE

“Nobody should be rich but those who understand it.”
—Goethe

Whatever you do, proceed carefully. Some ways of giving bring families together; some ways have little effect; and some ways break families apart.

Four-step program to minimize the stress of giving and to reduce the risks that non-essential wealth poses:

1. Understand and acknowledge the universal destination of goods.
2. Strive to use non-essential wealth to help serve the common good by wealth-creation insofar as it's appropriate, and by whatever other means are suitable to your circumstances, talents and responsibilities.
3. By precept, example and participation, help others come to share your understanding of the right use of non-essential wealth.
4. Create for others safe circumstances in which they can learn how to use non-essential wealth for those purposes, and by using it in this way, developing the virtue of generosity and the habit of giving.

Regular consideration of the need brought before our families affords opportunities to discuss,

- the meaning of money itself and of our own money in particular,
- the values that inform our decisions,
- the unique personal vocation to which we are called.

“For those who have money, giving is an excellent way to neutralize the particular temptations that afflict us and those who are close to us, and to nurture virtue in ourselves and those we love.”

Giving builds character. Giving is a school of virtue for those who undertake it. Having family members assist in our giving today will help them become better givers tomorrow.

CHAPTER 14
BEGIN TODAY!

*"It's easier for a camel to pass through the eye of a needle
than for a rich man to get into heaven."
—Matthew 19: 21-25*

Non-essential wealth should become a school of virtue for us and for others as we use it to provide the fundamentals to those who lack them.

Those with a vocation to create wealth should devote it to the creation of new wealth that can, directly or indirectly, be channeled to those who lack the fundamentals. And whether or not we have such a vocation, we should begin now to use some of our non-essential wealth for the present needs of others.

*"The Gospel of wealth but echoes Christ's words.
It calls upon the millionaire to sell all that he has
and give it in the highest and best form to the poor
by administering his estate himself for the good of his fellows,
before he is called upon to lie down and rest
on the bosom of mother Earth."
—Lee Carnegie*

THE NEXT STEP

Before you give, you need to know well the organizations to which you're giving. The larger your contribution, the better you need to know the organization receiving it.

The universal destination of goods forbids us to hold back ourselves or our fortunes. It calls us to serve one another according to our talents and circumstances; despite knowing we may make mistakes or be betrayed.

"In giving, we must be prudent but never hard."

TEN RULES OF THUMB FOR DONORS

*“He who lends [money] is greater than he who performs charity,
and he who puts in capital to form a partnership with the poor
is greater of all.”*

—Talmud

1. SUPPORT INDISPENSABLE CAUSES TO WHICH YOUR SUPPORT IS INDISPENSABLE

This principle is rooted in two concepts: Donors should be indispensable to the organizations we support. The organizations to which we give significant help should themselves be indispensable.

2. SEEK SYNERGY

Support initiatives that can benefit from the synergy of our knowledge, interest, wealth, and expertise. Contribute money in fields in which we’re already actively and eagerly involved.

3. KNOW WHO’S IN CONTROL

Know the leaders of the organization and stay close to them. This is easiest with local organizations, which is a good reason to invest locally if you can.

4. CONSIDER THE PROS AND CONS OF ANONYMITY

Humility may call us to do good works anonymously but public giving may fuel giving by others. Often we can better serve a cause by letting it be known that we’ve contributed to it.

5. DO NOT FOSTER DEPENDENCY

According to the Talmud, the purpose of charity is to help others help themselves. It also deems the most meritorious form of charity to be loans that recipients are expected to be repaid.

6. FAVOR INITIATIVES OVER ENDOWMENTS

Our responsibility is to ensure that our wealth is used properly—a responsibility we can’t delegate to those who come long after us and over whose actions we will have little or no control.

7. CONTRIBUTE TO ORGANIZATIONS THAT HAVE LEVERAGE

As businessmen, we leverage our money, time and effort to yield the greatest benefit. We should approach giving in the same way, leveraging our contributions to bring about the greatest effect from what we give.

8. USE OTHER PEOPLE'S MONEY (OPM)

Seek OPM to find initiatives you support, but only if it can be raised without decreasing efficiency or compromising the organization's mission. On the other hand, don't reject a charity because you're the only one who sees its importance.

9. BEWARE THE REQUEST TO HELP RAISE MONEY

Avoiding the nitty-gritty of fundraising heads off a problem that affects donors who solicit funds for charities: Reciprocity. If I get you to contribute to my favorite charity, I'm obliged to support yours when you ask.

10. STAY FOCUSED ON A FEW INITIATIVES

Don't dilute the effectiveness of your contributions or squander them by failing to employ due diligence in choosing organizations and by failing to monitor your ongoing involvement in them.

QUESTIONS TO ASK

These strategic questions will help you apply the Ten Rules of Thumb:

- Is the group or cause explicit about its philosophy and goals?
- Do you agree with its philosophy, goals and methods?
- Is it engaged in highly leveraged activities?
- Will your contribution be the tipping point between failure and success?
- Are you being entrepreneurial, helping start efforts that otherwise haven't attracted support?
- Do you bring any particular knowledge, expertise or ability to the project?
- Is a capable person in charge of the effort?
- What percentage of support do you contribute, and are you happy with that percentage?
- Will your support encourage others to give?
- Should you use a challenge grant?
- What would happen if the founder or current executive departed?
- Are accounting and financial record-keeping systems in place, and can you access these records?
- Can the effort serve as a model to be replicated elsewhere?

About the Author

Frank J Hanna has started and invested in many businesses and is featured in the PBS special *The Call of the Entrepreneur*. He's the CEO of Hanna Capital and the recipient of the William Simon Prize for Philanthropic Leadership.

