

Maximize the Impact of Your Generosity

When properly informed, committing to philanthropic goals in a disciplined, strategic fashion can actually help improve your financial stability, as well as reduce your tax liability

We are confronted daily by inspiration for charitable giving. Turn a TV to CNN, Fox News, MSNBC, or any of their respective websites, and you will see discussion of the economic downturn, its impact abroad, and the resultant rise in poverty.

Recent uprisings in the Middle East, and far too persistent instability in Africa have not only exacerbated the plight of the poor worldwide, but also amplified the need for action and assistance.

There is, of course, no shortage of data to back this up. According to the World Bank, nearly half the world's population lives on less than \$2.50 per day.

According to UNICEF, nearly a billion entered this century without the ability to read or write. (MSSB Winter 2010 "Perspectives in Philanthropy")

Fortunately, ours is a country that has never shrunk from the call for generosity. In 2007 and 2008 alone, U.S. private giving (\$300 billion annually) exceeded the GDP of Finland, Ireland, and more than a few others. (MSSB Winter 2010 "Perspectives in Philanthropy")

Yet amidst all of this generosity, there are many of us who avoid international philanthropic causes, regardless of our means, and reasons abound.

Some are uncomfortable with the accountability question: Will my money bring real benefit (or merely cover overhead for headquarters staff), and how do I see real results?

Others get caught up in the simple overabundance of causes in need of assistance.

Finally, there is always a concern on how or if philanthropy can fit with long-term financial goals.

The answer to the latter question is an emphatic "yes," but only after knowing

how to get there.

Making it all work: Benefits and Strategy

When properly informed, committing to philanthropic goals in a disciplined, strategic fashion can actually help improve your financial stability, as well as reduce your tax liability.

Reducing your tax liability is of course a key benefit to philanthropy, but can only be realized if the beneficiary organization meets qualifications under the IRS code.

Furthermore, there must be documentation that the funds are used for charitable purposes.

Both requirements are reachable so long as the beneficiary is reputable. (MSSB Winter 2010 "Perspectives in Philanthropy")

Indeed, life will become easier for the philanthropist that decides to choose a reputable beneficiary. The above-mentioned regulations exist, in part, to minimize corruption.

As such, it behooves you to seek out well-established organizations that will maximize tax benefits, as well as allocate your

funds transparently, and in line with your wishes.

There are a large number of organizations providing assistance in India.



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Homeless men sleep inside a night shelter managed by a non-governmental organization (NGO) in the old quarters of Delhi Jan. 3.

Many serve as clearinghouses for aid groups in the country, and, most importantly, allow you to choose the beneficiary sector (e.g., Health or Education), region, and donation level which best suits you.

Decide on a fund structure that will maintain the longevity, level of involvement, and direction that you want. Charitable trusts, for instance, allow income and estate tax deductions by establishing a trust making annual payments to a charitable beneficiary.

For increased involvement, donor-advised funds are available, which allow the donor to recommend charitable grants to specific groups.

Finally, private foundations allow for complete control of donor funds, with the establishment of a legal entity – often incorporating a family member – that completely oversees disbursement of funds, and management of the account. (MSSB Website – Services – Philanthropy)

Aligning your philanthropic goals with your financial ones will not eliminate many of the complications of donating to international causes, and solutions will be different depending on how involved you want to be.

Fortunately, a wealth manager can help structure your philanthropic activities as well as get you started with suggestions on organizations that fit your needs.

More than anything, they will alert you to the questions you should be asking yourself, and any recipient organization, in order to maximize the impact of your generosity now, at a time when it is most critically and apparently needed.

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An Alternative Screening at Airports

Lately so much is heard on television about screening at airports. Also, letters and commentaries are pouring into newspapers and through other media. Some criticize the Transport Security Administration over issues pertaining to privacy; some favor it for obvious reasons of safety.

I have a simple solution. Why not request the travelers to take off all their clothes, walk past a TSA employee, and then put the clothes back again. Some may quickly laugh at this suggestion. But when they read this completely and think they will change their minds.

We see people walking around without clothes in the shower areas of the YMCA, YWCA, health spas and such facilities. I have seen some patrons shaving their faces, some powdering their bodies, some changing clothes while completely naked

in the shower areas. Many stand naked in front of each other in health facilities, while discussing issues dear to them. Every man has similar parts on the body and same is the case with women. One should not forget that he/she stands completely naked before physicians. There is nothing to shy away from reality.

Normally, everyone works for eight hours a day. That must be true for TSA officials as well. If they take five minutes to look at each person without clothes, some 96 (12 in an hour x 8 hours) people will pass in front of an agent during each day. At the end of each day, that agent

cannot remember what he saw. And we should remember that the agents, under their scanners anyway, do see each person right up to his or her smallest piece of cloth. The agents will also go through the same exercise when they travel by air.

Look at the economic aspect. There is a tremendous economic benefit to all. Body scan detection machines will not be required, patting down will be eliminated. This will reduce the cost needed for the purchase and maintenance of the machines and save TSA officials from doing security pat downs. Every day, thousands of man hours will be saved. All the

embarrassing problems and complaints about pat-downs will be no more.

And here's a health benefit: Passengers will not be subject to radiation. This is a tremendous benefit for those who travel often -- the airline staff, public employees and businesspersons, for example.

Will I be ready to stand naked in front of a TSA agent? Definitely. I will do it happily. I want to have this option. Obviously, the exercise will not be done in the open. There will be proper and reliable arrangement such as one passenger passing in front of one TSA agent at a time giving enough time for each passenger to take off and put on clothes. Why not give this option to passengers? I wrote to the TSA weeks ago, but there has been no response.

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