

THE CHALLENGE

Sarah earns \$3,500 monthly and wants to support educational programs for underprivileged children. With student loan payments and a tight budget, she wonders if she can afford to give. She's considering volunteering her graphic design skills, making small monthly donations, or donating gently-used items. How can she create a giving plan that aligns with her values without compromising her financial stability?

How can you make meaningful contributions to causes you care about regardless of your current financial situation?

Learning Objectives

- Understand various forms of charitable giving (monetary, in-kind, volunteering, planned giving).
- Learn how to incorporate charitable giving into financial planning.
- Explore personal and societal benefits of charitable giving.
- Reflect on non-monetary ways to contribute to your community.

CORE CONCEPTS

Term	Definition
Monetary Donation	Financial contributions made to a charitable organization (one-time, recurring, matching).
In-Kind Donation	Contributions of goods or services instead of money (clothing, pro bono services).
Volunteerism	Donating time or skills to support causes without financial compensation.
Planned Giving	Charitable contributions through long-term financial planning (bequests, trusts, endowments).
Tax Deduction	Reduction in taxable income based on eligible charitable donations (must itemize to claim).

Background: Charitable giving allows individuals to support causes they care about while potentially receiving tax benefits. Beyond financial contributions, giving back through volunteering and in-kind donations creates positive community impact and personal fulfillment. A thoughtful giving plan balances generosity with financial stability—ensuring basic needs, emergency savings, and debt payments are met before allocating funds to charitable causes.

APPLY IT

PART A: FORMS OF CHARITABLE GIVING

Match each scenario to the most appropriate form of charitable giving.

Scenario	Type of Giving
A graphic designer creates a free logo for a nonprofit.	
Someone sets up \$50 monthly auto-payments to a charity.	
A retired teacher tutors students at a library after school.	
Someone includes a charity in their will.	
Donating professional clothing to a job training program.	

1. Which form of giving might have the greatest impact for someone with limited money but specialized skills?

PART B: CHARITABLE GIVING BUDGET

Help Sarah incorporate charitable giving into her monthly budget.

Sarah's Current Monthly Budget

Category	Amount
Income	\$3,500
Housing	\$1,200
Utilities	\$150
Food	\$400
Transportation	\$300
Student Loans	\$500
Savings	\$350
Entertainment	\$200
Miscellaneous	\$400

2. If Sarah allocates 2% of her income to charitable giving, how much is that monthly and annually?

Monthly: _____ Annual: _____

3. Which budget categories could Sarah reduce to fund her charitable giving? Suggest specific amounts.

Hint: Many financial advisors suggest starting with 1-3% of income for charitable giving and increasing as finances allow.

PART C: NON-MONETARY CONTRIBUTIONS

4. List THREE ways a person with limited money but available time could contribute to their community.

CHECK YOUR UNDERSTANDING

1. Which of the following is NOT a form of in-kind donation?

- ☐ A. Donating canned goods to a food bank
- ☐ B. Setting up a recurring monthly payment to a charity
- ☐ C. Providing free legal advice to a nonprofit
- ☐ D. Donating a car to a vocational training program

2. To claim a tax deduction for charitable donations, you must:

- ☐ A. Donate at least \$1,000
- ☐ B. Itemize deductions on your tax return
- ☐ C. Donate only to religious organizations
- ☐ D. Use automatic payments

3. Calculation: Alex earns \$50,000 annually and donates \$2,500 to charity. If Alex itemizes and is in the 22% tax bracket, what is the tax savings from the donation?

Show your work:

Tax savings: \$_____

4. What should you prioritize BEFORE allocating money to charitable giving?

5. Reflection: Describe one cause you care about and create a realistic plan for how you could contribute to it in the next year, considering your current resources and skills.
