Letters & Stories

(This letter and reply were featured in a recent "Ask Amy" syndicated column)

"I'm a mother of a 41-year-old daughter who is unable to feel any empathy for me. She's courteous in every other way, but if I ever need support - emotional or physical - she's MIA.

I have tried to talk with her directly about this, and she feels that it is not her job to take care of her mother in this way.

How much can I trust her with as I become older and need her to carry out my end-of-life wishes?"

- Mother

"You should do everything possible to plan for your own future. This includes researching housing options and finding friends or other family members who would be willing to assist."

- Ask Amy

Indeed, "Mother", Amy is right. The best gift you can give your

Where's the Money Go?

A look at "How The Poor, The Middle Class And The Rich Spend Their Money," by Planet Money, illuminates recent data from the United States Department of Labor's Bureau of Statistics, which conducted a Consumer Expenditure Survey. The results (which may be obvious to many)show poor and middle income families spend a much larger share of their budget on basic necessities such as food at home, utilities and health care than do wealthy households.

Rich families are able to devote a much bigger chunk of their spending to education, and a much, much bigger share to saving for retirement. They do not, however, give a bigger share of their income to charity. Though their dollar donations are possibly larger, the percentage given is likely to be smaller. Interesting, eh?
daughter is to plan for your own future, modeling for her how a well-balanced safety net of people, plans and outside resources can support you in being resilient and resourceful. This will leave room for the two of you to develop friendship based on the trust and respect you long for.

- PSN

**one more thing**

Don’t Wait to Begin Helping!

New Zealand-born Audette Exel lives a double life. In New York, London, Bermuda and Sydney, she’s the owner and head of Isis AP, which advises companies on mergers and raises money for fund managers, but Exel is better known as the caftan-wearing founder and chief fundraiser of the Isis Foundation, which provides life-saving health care and education for 20,000 people a year in two of the world’s most impoverished nations, Nepal and Uganda.

Exel founded the charity in 1998 (when her company was in its infancy) because she didn’t want to wait until she had amassed a fortune to begin her philanthropy. "It’s the purpose of the business," she says. "There’s one mission."

In fact, Exel turns over all of the Sydney-based company’s After paying basic expenses, the lowest income group has spent 96.3% of their income, leaving 3.7% of disposable income. The middle income group has spent 95.6% of their income, leaving 4.4% of disposable income. And the highest income group has spent 92.8% of their income, leaving 7.2% of disposable income. If we use real numbers, needless to say, the poorer we are, the less we will have for discretionary use.

This got us to thinking about Paul Navone, a mill worker in New Jersey, who never made more than $11 an hour. He started off earning 75 cents an hour at the age of 16, and almost immediately started saving as much money as he could. He only shopped at thrift stores and never owned a TV or a telephone. He never married or had children, and his only "extravagances" were breakfast at McDonald's and used CDs. He saved enough to pay cash for a home, living in half and renting out the other half and, in due course, acquired two more rental properties and started investing with a brokerage. He lived his whole life in a small, modest house.

Eventually he started giving away his money away - to schools because he wanted his money to produce value, and schools were the perfect choice. He ultimately gave almost all his money - over $2 million - to a community college and college preparatory school.

Stories like Paul’s got us to thinking that what’s missing from the above study is information on income donated to charities by each of the economic groups. So we sought out the research, and found some stunning findings.

The latest study on "philanthropic giving," conducted by the Chronicle of Philanthropy using tax-deduction data from the Internal Revenue Service, showed that that middle-class Americans give a larger share of their income to charity than the wealthy. In fact, households earning between $50,000 and $75,000 a year, give an average of 7.6 percent of their discretionary income to charity.
profit to her foundation, which spends it on projects ranging from a neonatal intensive care ward in Kiwoko, Uganda, to a refuge for 136 Nepalese children who had faced being sold for prostitution and child labor.

As a person who raises millions, Exel's personal balance sheet is modest. Some years, she pays herself a small salary; in others, she lives on savings and director fees. When traveling on foundation business, it's always in economy class.

While her finance business has given $5.75 million to the Isis Foundation, Exel only last year put down a deposit on her first home -- a two-bedroom townhouse near Isis's headquarters in the traditionally working class Sydney neighborhood of Rozelle.

Exel says her social activism stems partly from her upbringing. Her father was a foreign correspondent who covered the Vietnam War for the New Zealand Press Association before becoming a campaigner for New Zealand's Labour Party.

Exel's biggest challenge -- like many who have donated to and/or helped build an organization -- is seeking to make Isis less dependent on its founder.

That compares to 4.2 percent for people who make $100,000 or more. In some of the wealthiest neighborhoods, with a large share of people making $200,000 or more a year, the average giving rate was 2.8 percent.

Religion is the big factor here. "Regions of the country that are deeply religious are more generous than those that are not," the Chronicle said. The Chronicle of Philanthropy study suggests that wealthy people who live in mixed-income areas give more and are more empathetic than those who live in exclusively wealthy enclaves.

In 2001, Independent Sector, a nonprofit organization focused on charitable giving, found that households earning less than $25,000 a year gave away an average of 4.2 percent of their incomes; those with earnings of more than $75,000 gave away 2.7 percent.

The IRS system provides that those who itemize receive a hefty tax break to make charitable donations, a deduction that grows more valuable the higher they are on the income scale.

Dr. Paul K. Piff, of the University of California, Berkeley, and the Institute of Personality and Social Research, who conducted a similar study, not only found that lower-income people were more charitable, but that they were also more generous, trusting and helpful to others than were those with more wealth. Lower-income people were more attuned to the needs of others and more committed generally to the values of egalitarianism. Piff said, "Wealth seems to buffer people from attending to the needs of others."

In fact, a 2007 report from the Center on Philanthropy at Indiana University found that only a small percentage of charitable giving by the wealthy was actually going to the needs of the poor; instead it was mostly directed to other causes - cultural institutions, for example, or their alma maters - which often came with the not-inconsequential payoff of enhancing the donor's status among his or her peers.

There may be something that can be done to help this situation. Piff found that if higher-income people were instructed to imagine themselves as lower income, they became more charitable. If they were primed by, say, watching a sympathy-eliciting video, they became more helpful to
(Note: oftentimes we are asked, "what is an outside community resource"? Well, Isis is just one of many thousands of organizations around the world that make up the whole of "outside community resources" that may provide help or assistance to someone who is struggling, or struggling to help. Way to go, Exel! Thank you for helping support our world.)

Can You Share Your Story?

So often we learn not just from books, but from the stories of others. That's how it is with Personal Safety Nets. We learn what worked for you or how you dealt with a situation and we put that knowledge to work for us.

The expert in anything was once a beginner.

Now's your chance to help someone else! Tell us how you have (or haven't) dealt with a situation by building a network, or gathering with others to solve problems. Tell us what worked, or what didn't.

Record your story on your smart-phone and upload to info@personalsafetynets.org or write to us.

Let's end on a high note with the story of Jack MacDonald, who died at age 98, last September. Though he worked as an attorney for three decades, and earned a modest living, he spent his life clipping coupons and riding the bus. MacDonald lived in a one-bedroom apartment and was known to family as quirky and eccentric, but always true to himself - acting on his convictions to do the most good with his money. While he made regular contributions to charities, he was able to amass wealth by investing. So, with no biological children of his own, nor a wife (he'd married in 1971. His wife died in 1999), Jack left the results of all his scrimping, saving and investing - $187.6 million - to three Seattle-area charities.

The moral of the three stories in this month's edition? It's never too early or too late to give to others - and giving need not just come from the pocketbook. Do what you can do to make a positive difference - give of yourself! Creating a compassionate community, whether locally or internationally, is up to you...me...US.