

Women's Growing Economic Power and its Impact on Philanthropy

It is a well documented trend that women are gaining economic power. According to a special TD Economics report titled, "Market forces advance prospects for women in the workforce", women have experienced significant improvements in earnings since the 1980s. The number of women earning more than their spouse has tripled, with close to one-third of women acting as primary breadwinner.

Entrepreneurship is attracting increasing numbers of women. By 2002, one-third of self-employed Canadians were women and women in Canada now make up a larger share of the self-employed than in any other country. As this growth in economic power among women seeps into their philanthropy, they increasingly have the ability to make significant contributions to their communities.

The Gift of Time and Expertise

Women typically take a different approach to giving than men. They are more likely to give to a charity in both time and money. Women volunteer partially to do good and partially to do their due diligence before making a donation. It's a generous cycle: When women are active as volunteers, that can lead to increased levels of giving, as studies show that direct involvement in causes makes donors more generous.

Women's Contributions

Marnie Spears, President & CEO of KCI (Ketchum Canada) agrees that women are becoming a powerful force in philanthropy and believes that there is a great opportunity for the not-for-profit sector to tap into the opportunities presented by this evolution. "Women increasingly have the capacity, both financial and otherwise, to effect significant change. Not only do women wield tremendous influence within the family regarding donations, they are also accumulating personal wealth through their professional lives as well as from inherited and intergenerational transfers."

A fundamental difference between the way women and men approach giving is how they allocate their overall philanthropic contributions. During their lifetimes, women tend to give smaller gifts to a larger number of organizations. Though they are "spreading the wealth", this dilutes the impact of their contribution.

A Strategic Approach to Giving

Bev Wybrow, President and CEO of the Canadian Women's Foundation, a national foundation dedicated to improving the lives of women and girls in Canada, emphasizes the importance of being strategic with one's philanthropy. "Strategic philanthropy ensures that your giving, of both money and time, reflects your values," says Wybrow.

There are many heart-wrenching causes to choose from. In reality, women can't be and aren't expected to help every cause they come across. Some of the most effective donors, with the greatest impact, develop a philanthropic plan and devote their money and their energy to a few specific causes that are important to them. The selected charities benefit from having a steady and engaged donor, and the donor benefits from a greater sense of involvement and satisfaction.

Implications for Philanthropy

While both women and men will be recipients of the intergenerational wealth transfer, the reality is that women outlive men and will therefore ultimately benefit over the longer-term from the wealth transfer. As women approach their charitable giving with the same disciplined, strategic, and engaged approach that they take with their investments and retirement, they will be an increasing force in philanthropy.

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