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Where Wealthy Blacks Give ...

AND HOW THE REST OF US CAN GIVE, TOO *By* KEVIN CHAPPELL

Michael Melton was raised in the projects of Kansas City, Mo., by a single mother. Today, he's a partner in a successful Washington, D.C., law firm, and co-owner of 20 Taco Bell and five Five Guys restaurants in the Atlanta area.

He's also the president of 100 Black Men of Greater Washington, D.C., a mentoring program, and gives his time to other youth organizations. The first in his family to attend college, Melton says he feels a responsibility to give back. "There weren't any structured

mentoring programs when I was young," he says. "If I had gotten some additional help, I would have had an easier path along the way."

Melton gives not only his time but also his money. He says that he donated \$105,000 to various organizations last year, including Northern Virginia Urban League, the Boys & Girls Clubs, National Head Start Association and Clark Atlanta University. "I tend to donate to organizations that help the youth," says Melton, 52. "Those are the ones that I found do the best job at putting the money to the best use."

The Black Benefactors, a giving circle, gathers inside the Dance Institute of Washington (l. to r.): Jennifer Hardy, Tracey Trammel, Tracey Webb, Jana Baldwin, Kelght Tuoker, Jovette Gadson, Tekisha Dwan Everette, Edward Jones, Faith Bynoe (seated), Melissa Johnson, Anita Marsh, Thelma Jones and Michael Coffey.

Photographs by MARK FINKENSTAEDT

← According to *Black is the New Green: Marketing to Affluent African Americans*, the total wealth of affluent African-American households is \$107 billion. Of that, more than \$87 billion is disposable income. And that figure is expected to grow as the number of Black millionaires in the United States inches upward—from a handful in the 1960s beyond the thousands today.

A strong culture of philanthropy exists among African-Americans across all income levels—and that practice dates back generations. Through churches and fraternal organizations such as the Masons and Greek-letter groups, Blacks have long given toward self-help and humanitarian efforts.

Among the rich, a national survey released earlier showed that, within households with incomes of at least \$250,000 (or a minimum of \$1 million in investable assets), affluent Blacks donated an average of \$30,350 to charitable causes in 2009.

According to the study, *Wealth in Black America*, produced by the investment management firm Northern Trust, respondents gave mostly to religious groups, educational institutions and human-services organizations. Blacks were found to be less likely to donate to environmental or animal organizations, which typically receive support from a greater proportion of Whites. The educational support comes as no surprise to Marguerite Griffin, national director of philanthropic services at Northern Trust. “For many affluent Blacks, [education] was their ticket to being able to build wealth for themselves and their families,” she says.

The study also found that older affluent Blacks are more likely to donate money and time to religious and human-services organizations; younger affluent Blacks tend to donate to educational institutions.

Griffin also noted that many affluent Blacks tend to give directly to charitable organizations, as opposed to giving through a structured financial vehicle such as a charitable trust or donor-advised fund. Giving directly to charitable organizations, rather than setting up complicated trust funds, may speak to the relative novelty of wealth in the Black community. “I think as more of our people acquire generational money, more trusts will be set up,” Melton says.



Black Benefactors, including JoAnn M. Williams (foreground, right) has granted nearly \$10,000 to area organizations.

“**Philanthropy—and the potential to give — exists at every level of American life.**”

The Power of Pooling Dollars

An increasingly popular way for people without thousands of dollars to give to have a philanthropic impact is to join a “giving circle.” That’s when people pool their money and together decide where to donate it. Usually, each member gives the same amount annually.

A 2007 study by the Forum of Regional Associations of Grantmakers in Washington, D.C., reported that more than 400 giving circles had donated in excess of \$90 million to charitable causes. Giving circles with a focus on the Black community, or that

are composed mostly of African-American members, are on the rise.

Tracey Webb is one of the founders of the Black Benefactors giving circle, which supports organizations serving the African-American community in the Washington, D.C. region. To date, the group has granted nearly \$10,000 to area organizations. “Just imagine your \$100 gift becoming a \$1,000 gift to your favorite organization,” she says. “Giving circles allow you to do just that.”

It’s that kind of potential impact that spurred Athan Lindsay to help found the Next Generation of African-American Philanthropists giving circle in North Carolina. “When most people think of philanthropy, they envision extremely high-wealth individuals with names like Cosby, Winfrey, Johnson, Joyner and other notable celebrities,” Lindsay says. “They don’t usually think of their aunt, their neighbor, their child’s day care provider or, more important, themselves. But this is a mistake because philanthropy—and the potential to give—exists at every level of American life.”

Where to Start

While a majority of philanthropic dollars from African-Americans go to churches, other worthy organizations should be considered. Visit the Better Business Bureau at bbb.org to check out specific charities before you give. And if you want to start your own giving circle, a good place to begin is with Hindsight Consulting at hindsightconsulting.org.

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