

# On generosity and restraint

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Money is an awkward subject, and inequality is an uncomfortable one. If we are fortunate enough to be financially secure, what do we feel when we think about inequality? Denial? ('I'm not really very wealthy ...') Defensiveness? ('I worked hard to get where I am today ...') Confusion? ('Well, I know it is a problem but I am not really sure what I can do - I like my nice house and don't plan to give that up - so really it is easier to just not think about it at all ...')

But we do need to think about inequality. As discussed elsewhere in this book, a large gap between rich and poor is not good for anyone. While it obviously hurts those in poverty, it can also pose a threat to people with money. An investment manager I know put it starkly: would you prefer a 99 per cent tax rate or civil war? And although much of the response to inequality must be collective, there are things we can do as individuals, especially if we are lucky enough to live comfortably.

These questions have been relevant in my own life. My husband Dave Moskovitz and I were fortunate enough to catch the internet wave of the mid-1990s. Thanks to Dave's geeky foresight, we started an internet company called The Web

Limited in the flat above our garage in 1995, registering New Zealand's three-hundred-and-second domain name. Our first foray, an attempt at an online computer shop, was an idea before its time, and failed; however, we moved into internet development and established ourselves in the Wellington market, particularly with corporate and government clients.

In 2002 we sold our company to KPMG Consulting and moved out of this line of work. Although the sale was a small one in that time of major mergers and acquisitions, we suddenly found ourselves mortgage free in a nice house, with some money left over. Then what? What else did we really need? What did we want to do with our modest surplus?

Our response, and one that is open to many of us, has been to give. And yet giving raises its own questions. How much should we give? And how can we give in a way that addresses inequality rather than perpetuating it?

When deciding how much to give, it may be helpful to think about giving as a proportion of your income. Personally, I think that the number of zeros after the number is not important: it is the generosity that counts. And on this basis,

the generosity of, say, a new immigrant who works on the minimum wage but still sends money back to family in their country of origin dwarfs the generosity of most of us involved in philanthropy. (In fact, the *How New Zealanders Give* research bears this out: people on lower incomes are generally more generous, in relative terms, than those on higher incomes.<sup>1</sup>) Setting a target proportion of income can be helpful: 5 per cent or more is often suggested as a guideline. While this might be unachievable for some and too low a bar for others, it is helpful as a starting point and easy to budget for.

Deciding *how* to address inequality through giving can be more of a challenge. One of the best definitions of philanthropy is 'addressing the causes that made philanthropy necessary in the first place'. If we are all born equal but not all born with equal opportunities, then giving in a way that supports equality of opportunity makes sense. Support for people to get into affordable housing, succeed in education, get work and be a good parent can all be 'circuit breakers' in the cycle of disadvantage.

Giving our time and being actively involved with organisations working to address disadvantage is also helpful; while research is good, there is nothing like seeing things first-hand. Look also for organisations with a philosophy of 'do with' rather than 'doing to', as supporting families and communities to support themselves usually works better than a simple hand-out. For a more detailed

discussion of these issues, Philanthropy New Zealand's home-grown model for giving, 'Feel, Think, Act', is a useful place to start.<sup>2</sup>

For Dave and I, giving is woven into how we do things. When we sold our business, we split the money into three parts: the first for traditional investment to fund retirement and our kids' tertiary fees, the second to provide seed funding for start-up companies and social enterprises, and the third to create a small charitable trust that provides four or five grants a year. Dave spends most of his time working with entrepreneurs and start-up companies, while I work in philanthropy in paid and voluntary roles.

The task of being generous towards others is also helped by practising restraint in one's own life (see Chapter 11). But it's not easy to decide 'how much is enough', or to stick to it. Restraint is not a fun idea, it doesn't come naturally to most of us, and it has to fight against a barrage of messages to buy, consume, get ahead. Happiness, whispers the marketing hype, is no further than our next purchase, be it lipstick or an Audi. We know that isn't true, yet we succumb anyway.

So how much is enough? 'Want', says the novelist Barbara Kingsolver, 'is a thing that unfurls unbidden like fungus, opening large upon itself, stopless, filling the sky. But needs, from one day to the next, are few enough to fit in a bucket, with room enough left to rattle like brittle brush in a dry wind.'<sup>3</sup> But true though this is, few of us are Mother Teresa types, willing to give up our comforts and

reduce our standard of living. An easier approach, therefore, might be simply trying to avoid increasing our consumption and wealth beyond where we are currently. Deciding to give away your next pay rise and avoiding excessive consumerism are small and achievable examples of restraint.

The bottom line? There are no silver

bullets for addressing income gaps. But it is an issue that all of us, especially those who are financially comfortable, need to consider. And there are actions we can take. Being generous with our time and money, and practising a little restraint in our lifestyle and consumption, can be small but important steps towards addressing inequality.