

Frequently Asked Questions

United Way's Cause

Q: What is intergenerational poverty and why does United Way focus on fighting it?

A: Intergenerational poverty is poverty that is passed down from generation to generation – essentially, when a child is born into poverty, he or she is more likely to live in poverty as an adult. In fact, 50% of children born in poverty will stay poor for a lifetime.

Poverty is a particularly deep-rooted issue because once the cycle of poverty begins, it will continue on without outside intervention. That's because many of the families trapped in the cycle often have limited or no resources – such as education, financial assets, or the right career opportunities – to help break the cycle. With limited access to economic and social resources, the cycle continues for generations. **Social scientists estimate that it takes three to five generations – or up to 350-400 years! – for a family to break the cycle of poverty on their own.**

At its foundation, poverty is a cycle. And the only way to make significant and impactful inroads in the fight against poverty is to disrupt that cycle – that's why our United Way focuses interventions that we know make a difference.

Q: Why does United Way focus its investments on successful youth and stable families and what do those interventions look like?

A: Poverty is incredibly complex and no single intervention alone can disrupt it. And since we know that children are more likely to succeed if their parents and caregivers succeed, we focus on the needs of both adults *and* children to improve our chances of breaking the cycle

We know that a quality education opens doors and opportunities. When students start their education careers off right, they are more likely to succeed academically and graduate from high school, ready for college or career. So we drive resources into work that ensure students have access to a quality education right from the start, and empowers them to start school ready to learn. We also make sure they hit key learning benchmarks – like reading at grade-level by the end of third grade, a leading predictor of high school graduation – and ensure that parents have the resources they need to embrace their role as their children's first teachers. And we make sure that when students are out of the classroom, they have access to programs that enrich their lives, stimulate their brains and keep them out of trouble.

We know it doesn't end with a graduation cap and gown. Getting connected to the workforce with a job that pays a living wage is critical to breaking the cycle of poverty. And it's not enough to find and keep a good job – building long-term assets is essential to developing a solid foundation for the future and avoiding falling into poverty. That's why we empower community members to take control of their lives and finances.

When our neighbors are equipped with the tools to succeed, they reach new heights. So what does that work look like?

- It's 12,000 2nd and 3rd graders improving their reading –and their odds of graduating from high school
- It's 360 job seekers advancing their careers through job placement and training programs powered by our Job Opportunity Investment Network
- It's 227 of our neighbors saving \$300,000 – which was matched by an additional \$852,000! – to buy their first home or continue their education through our Lubert Individual Development Account program

We do the work we do because we envision a future where everyone has an opportunity to thrive, regardless of their background. We do it to see the ripple effect of the lives we help change. We do it because we know each and every one of us will be better off as a result. But we can only do what we do with the support of people just like you.

Giving to and through United Way

Q: Why should I give to United Way?

A: In short, because we're unique – from our cause to our approach and reach.

We're uniquely:

- Seated at the intersection of business, government and nonprofits. That means we not only have the relationships to bring diverse voices to the table to fight poverty but have a vantage point that lets us see gaps and work collaboratively to fill them.
- Focused on fighting poverty, especially the kind that is passed down from generation to generation. Gifts to our Impact Fund improve early learning, connect people to job training and placement programs and empower them to build assets to move from poverty to possibility.
- Equipped to amplify your gift and guarantee it's making the biggest impact possible. Your gift is combined with the gifts of more than 100,000 other philanthropists. And since we make sure our partners are high-performing and execute proven work, you can be confident that your gift is making a difference.

- Able to connect your gift to the causes that matter to you. We're passionate about philanthropy, and that means what is important to you is important to us. We're grateful you're part of championing and elevating philanthropy in our community and are honored to help you give to the causes or organizations that drive your passions. For more information on directing your gift to another United Way or nonprofit, visit donorchoice.unitedforimpact.org.

Why should you give to United Way? Because when you give to and through United Way, you're a part of a movement to reignite philanthropy in our region by making giving back easy and impactful. You're a part of a movement that works to lift people out of poverty and keep them there by investing in interventions that are proven to make a difference.

You're a part of the new United Way and the future of a more prosperous region.

Q: How do I know that the programs that United Way supports are *really* using my money well?

A: United Way Impact partners undergo a rigorous, objective evaluation process and have to demonstrate their ability to drive measurable outcomes. Through the application process, potential partners are evaluated on their financial health; their history of providing effective, results-driven programs; the scalability of their programs and other factors.

Multiple times a year, United Way requires its partners to report on their success in three areas:

- How much? What was the total number of people served through the program?
- How well? How well was it done?
- Who is better off? Did clients see a tangible increase in knowledge, skills or ability?

In rare cases where agencies are not performing at a high-enough level, United Way works with their staff to see what interventions and resources may help. If an agency isn't able to make the needed changes, United Way may choose to withhold funding to make sure we're stewarding donors' dollars in the best way possible.

Q: Where does my money go?

A: In short, it goes to a building stronger, vibrant community for all – regardless of whether you give to United Way's Impact Fund or to another nonprofit of your choice.

In the 2018-19 campaign, donors gave \$23.6 million to our Impact Fund, and another \$15.7 million was directed to other nonprofits. Gifts to the Impact Fund are invested back into high-performing nonprofits to support work that's proven to fight poverty. Our Impact Fund is focused on building successful youth and stable families by supporting quality education

that equips students for a lifetime of success; opportunity, employment and entrepreneurship to connect more employees to the workforce and keep them in jobs that pay a family-sustaining wage; and financial empowerment by helping people build and leverage assets.

We drive resources in those interventions because we know they work. A quality education opens doors and opportunities – and when students start their education career off right, they are more likely to succeed academically and graduate from high school, ready for college or career. So we know the importance of ensuring that students have access to high-quality education from the start – education that empowers them to start school ready to learn. We also equip them to hit key learning benchmarks – like reading at grade-level at the end of third grade, a leading predictor of high school graduation – and that parents have the resources they need to embrace their role as their children’s first teachers. And we make sure that when students are out of the classroom, they have access to programs that enrich their lives, stimulate their brains and keep them out of trouble.

But the Impact Fund isn’t just about making grants – it’s about moving the stubborn needle against poverty in holistic, scalable and strategic ways. That’s why our Impact Fund also supports innovative public policy work and helps build the capacity, reach and effectiveness of our region’s nonprofit sector as a whole.

Q: What is “leadership giving”?

A: A gift of \$1,000+ makes you a Leadership donor. We have four Giving Societies:

- Leadership (\$1,000-\$4,999)
- Visionary Circle (\$5,000-\$9,999)
- Tocqueville Society (\$10,000 or above)
- Kind Society (gifts of \$1,000 or more to United Way’s Impact Fund)

We offer step up program that help you increase your gift incrementally each year while still being recognized at a full Leadership giving level from year one. For information, visit UnitedForImpact.org/leadership.

Designating to another nonprofit

Q: Can I designate my gift?

A: We’re committed to championing giving and involvement in our community and honored to help you support causes that matter to you. We’re able to monitor outcomes from gifts you make to the Impact Fund only.

Nonprofits must comply with the Patriot Act. Ineligible designations will go to the Impact Fund. United Way charges an administrative fee of 12.5% on each designated gift before distribution.

In accordance with IRS requirements, we acknowledge no goods or services were exchanged for your gift and do not consider your pledge to be a legally binding commitment.

Find our most recent financial statement on our website at UnitedForImpact.org/financial.

Q: I've designated my gift to another nonprofit – how much of my gift reaches that agency?

We charge a 12.5% administrative fee on all gifts designated to other organizations. In part, this fee helps us raise, collect, administer and distribute those contributions. But the fee is more than simply a processing or fundraising fee – it allows us to expand our impact in the community beyond grant making and allows us to executive work to strengthen the nonprofit sector as a whole. In essence, many of the dollars from those fees go back into the agencies through United Way's unique value add. For example, the administrative fee allows us to provide technical assistance to other nonprofits, offer capacity building opportunities that allow them to work more efficiently and reach more people and more.

As part of our workplace campaign (through which the vast majority of designated gifts are received), we connect nonprofits with workplace and donors that they otherwise wouldn't be able to reach. Designated gifts reach their intended agencies as unrestricted gifts – some of the most difficult dollars to come by in the nonprofit sector. Essentially, this means that when you give your gift through United Way, you pave them way for agencies to be able to use your contribution in the ways they see best – helping them keep the lights on and continue to change lives.

The admin fee means our team can be on the front lines of fundraising and marketing for the sector as a whole, freeing up other nonprofits' resources to focus on providing the resources and services our community needs most. While we are out delivering the message, making the case for the need for philanthropy and interventions in our community and making it easy for community members to give and get engaged with the causes that matter to them, our partners at specific nonprofits can stay focused on what they do best: tackling their mission and delivering their services to the community.

Q: If United Way deducts an administrative fee and then the organization deducts more for overhead, doesn't this duplicate overhead costs?

A: Our fee recovers the fundraising and administrative costs to secure, process and deliver a gift to another agency, as well as equips us to provide the nonprofit community with services and resources beyond grant making. Other agencies may have additional overhead of their own, related to their deliver of services directly to clients and the community.

Q: I designated my gift – how long until the nonprofit I selected receives the gifts.

A: We take pride in pay designations quickly and efficiently. In the case of payroll deduction gifts, we distribute those throughout the year, after we receive the payments from employers. In most cases, we distribute all designated gifts within 60 days of payment. Agencies that have providing their banking information with us are paid on a bi-monthly basis via ACH transfer. Those who have not provided that information are sent paper checks twice a year, in February and June. Contact Donor Services at 800-417-8742 or donorservices@uwgpsnj.org for more information or if you have questions.

Tax Receipts

Q: Will I get a tax receipt for my gift?

A: All tax receipts for cash, check or credit card gifts of \$250 or more that are given in the fall of 2019 will be emailed by March 2020. Please provide a preferred email address on your paper or electronic form to make sure you receive your receipt.

IRS regulations don't require nonprofits to send tax receipts for payroll deduction gifts so keep a copy of your paper pledge form or email confirmation, as well as an employer-furnished document that shows the amount withheld for your gift.

For gifts of stock/securities, United Way will mail a tax receipt within 30 days of donation. For additional information about tax substantiation, please visit UnitedForImpact.org/tax.

Other

Q: I'm struggling myself – how can United Way help me?

A: In both Pennsylvania and New Jersey, through our Impact Fund, our United Way is a key partner in 2-1-1, a non-emergency hotline. 2-1-1 is free, confidential and available 24/7 to connect community members to valuable health and human services resources - right in their local communities. 2-1-1 provides referrals to resources to navigate everyday needs and crisis situations.