



CESTNICK

TAX MATTERS

Let your donor personality shape how you give to charity this year

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You might not know the story of James Robertson, a Detroit man who travelled – mostly by walking – a total of 10 hours a day to work and back. That’s 34 kilometres of walking every day, for 12 years. He was committed to his job and made the trek come rain, snow, or shine. The Detroit Free Press told the story of the “Walking Man” almost a decade ago.

After hearing his story, a local student launched a GoFundMe campaign hoping to raise \$25,000 for Mr. Robertson to buy a car. Over 13,000 people donated \$360,000 within a week, and Mr. Robertson, not wanting to be greedy, asked that the campaign be closed.

His plight also moved a bank vice-president, who had seen him trudging through the snow, to offer rides, help him choose a Ford Taurus, arrange new housing, and place the GoFundMe proceeds in trust.

There’s more. The dealership, Suburban Ford of Sterling Heights, gave him a vehicle for free. His story even contributed to changes in Detroit’s public transportation system to improve life for others.

That’s a lot of goodwill from one man’s story. Many people gave to make his life better. What motivates people to give – time, talent, or treasure? There are seven common reasons.

It’s worth discussing, because why you give should shape the who, what, where, when, and how of your giving. Let me explain.

The reasons

In the book *Seven Faces of Philanthropy*, authors Russ Alan Prince and Karen Maru talk about seven key donor personalities – or reasons why people are motivated give. More than one of these might apply to you. It’s good to take stock of which personalities reflect your own motivation to be generous:

1. **Communitarians:** These folks give because doing good makes sense to them. Supporting the wider community aligns with their own well-being. They see philanthropy as part of their civic responsibility.

2. The Devout: These people give because doing good is for faith reasons. Their religious convictions drive them, and giving is seen as a moral or faith-based responsibility and joy. They often support religious or mission-driven causes.

3. Investors: These donors give because doing good is good business. They treat philanthropy similarly to investing and see giving as both socially and financially prudent. They give to make a difference, gain tax relief, and sometimes to raise the profile of their businesses.

4. Socialites: These people give because doing good is fun. They enjoy the social side of giving, including fundraising events, networking, and philanthropy as a form of social engagement or status.

5. Altruists. These folks give because doing good feels right. They're motivated by a sense of moral duty, compassion, and desire to make a difference – often independent of recognition (they often give anonymously) or social benefit.

6. Repayers. These donors give because doing good in return is important. Their giving stems from gratitude; perhaps they (or someone close) have benefited from a non-profit's services or from a particular sport, endeavour, or community and want to return the favour.

7. Dynasts. These people give because doing good is a family tradition. Giving is part of a family legacy; philanthropy is embedded in their upbringing and expectations. They aim to honour family tradition while creating their own philanthropic identity.

The implications

Once you understand why you give, let this guide the who (which charities you support), what (the assets you donate), where (where your donations come from: personal, corporate, or other sources), when (during life or at death), and how (with or without recognition, etc.).

Consider William and Wendy, a financially successful couple in their 50s with three adult kids. They share a strong faith but come from very different backgrounds. Wendy grew up in a successful business-owning family with parents who were always charitable through a family foundation they set up. She's still active in the family business today – and so is William.

William's childhood was a struggle. His father died when he was eight, and his mother relied on a local food bank to support her two children.

Their giving reflects their donor personalities. William is a "repayer," regularly supporting the food bank that once helped his family. Wendy sees herself as a "dynast," following her parents' example of generosity. Both are "devout," giving for faith-based reasons, and as "investors," believing their business should be generous because it's good for the company.

They give through their corporation to build community awareness of the business, through the family foundation, and by donating appreciated securities personally for tax efficiency. Although they plan to give at death, they focus on giving every month to see the impact they're having in the community and consistently act on their faith.

This season, let your reasons for giving guide the who, what, where, when, and how of your philanthropy.

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