

85: Giving and Philanthropy for Physicians with Dr. Recha Bergstrom



Full Episode Transcript

With Your Host

Bonnie Koo, MD

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Welcome to *The Wealthy Mom MD Podcast*, a podcast for women physicians who want to learn how to live a wealthy life. In this podcast you will learn how to make money work for you, how you can have more of it, and learn the tools to empower you to live a life on purpose. Get ready to up-level your money and your life. I'm your host, Dr. Bonnie Koo.

Welcome to Episode 85. So this episode is so fitting for Thanksgiving Day. Our podcast, as you know, comes out every Thursday and this will be coming out on Thanksgiving Day 2021. I hope you are having an amazing day, or if you're listening to this after Turkey Day, I hope you had an amazing Thanksgiving and you were able to spend time with your families.

I would say in the Koo-Wolf family, we don't have a particular tradition. We live in New Jersey, as many of you know. I live within a few miles of my mom and my brother and his wife. And so we get together as a family. We basically decide who's going to host it. We're not hosting it this year, it's been a while since we have. My mom is hosting.

And here's just a random little factoid about my family. So my mom is Korean as you probably could guess, I'm Korean. And we have a traditional turkey dinner. And of course we have some Koreanized things like we always have kimchi and rice and all that good stuff.

But my mom always makes lasagna. And that is not a Thanksgiving thing, it's definitely not a Korean thing. I don't even know why we started making lasagna, but it's been happening for a long time since I was super young. But it's not very good lasagna. At least according to my partner, Matt.

Now, how many of you out there have some food from your childhood that you know logically, it's probably not that good. But because it's something from childhood it is so good and it's that comfort. And I remember one year when my mom said she wasn't going to make it anymore, my brother was like, "What? You're not going to make it?"

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So I just think it was funny just thinking about it. So I'm sure all of you have something like that where you know it's really not that actually good in terms of taste or gourmet-ness, but you just can't help love eating it. So that's a little factoid from the Koo-Wolf family.

Okay, so today's episode, we are talking about philanthropy. Now many of you are probably thinking philanthropy is for like super, super, super rich people. But I'm hoping we'll change your mind on that.

Now, the guest I have today is Dr. Recha Bergstrom and she is a radiologist based out of Northern California. And she and I got connected through a mutual coach friend around philanthropy and giving. And so one of the things that has been a priority for me and my business is to really think about how we can give money to causes that I feel strongly about.

But I found myself being really overwhelmed with how to choose an organization and how to even do it. And so you'll hear a bit more about Recha's story and how she got into being a philanthropy education person, I guess you could say, for physicians.

And so I'm super excited about this episode. I think you will learn a lot. And hopefully, it'll encourage you to think about how you can give no matter how much the amount is and call yourself a philanthropist, which is so fun. So here we go.

Bonnie: All right. Welcome to the show, Recha. Thanks so much for being here.

Recha: Thank you so much for having me. I'm really happy to be here with you.

Bonnie: Yeah, I am super excited about what we're talking today. And so just as a reminder to everyone listening, back in episode 35 I did a podcast on charitable donations. Mainly just around the mindset that's useful for

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giving and also just some ways to actually do it in terms of vehicles, like donor advised funds.

But I wanted Recha on the show today. I was really excited when we got introduced by our mutual friend because one thing that sort of struck me this year or something I've been struggling with a long time is how do we actually pick the charity?

Now, for some people listening, this might be an easy thing. But for me, it was like super— It was because there were so many things that I wanted to help with and it just seemed overwhelming, the task of finding out what charities are “good.”

And I know we're going to talk about that, how people can actually evaluate charities. Because I don't want to give money and then learn later down the line that they didn't use the money well. So there's just so much stuff. So I'm super excited.

But first, I want you to tell us how you got into this exactly.

Recha: Well, it's not been a direct path for me. It's been a pretty meandering one to get me where I am today. But I can tell you that things started for me kind of learning about philanthropy when I was actually on the receiving end of other people's charity.

This was several years ago when I needed to depend on other people. Then it kind of grew when I became part of a giving circle. And I realized that I didn't actually have to be a billionaire to be able to make a difference and to consider myself a philanthropist.

And then it all kind of came together this year as I turned 50, where I did a lot of soul searching. And I was thinking about what was important to me, how I wanted to face my next half of my life. And I realized I had no idea what was important to me personally.

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I had been spending so much of my time as a doctor, and a mom, focusing on other people and what they wanted and what they cared about. And so these things started to really come together for me over the last year or so.

And realizing that this is what's important to me, this is what I care about, this is what I want to give. And I feel like kind of just what you're saying there, it's a huge topic. It can be very complex and confusing. And the more I learned about it, the more I realized I had some really valuable, helpful information for other people that could really amplify what they were trying to accomplish.

And so I've been working on educating, learning, and helping, specifically with physicians to be able to understand kind of the landscape of philanthropy and things about how to decide who we're going to give money to, who we're going to donate to, how to decide how to evaluate them, things like that.

Bonnie: Yeah, I also really liked what you just said about you didn't have to be a billionaire to start giving. Because I do think that is a limiting belief that many people have, whether they're a physician, because not all of my listeners are super high income earners. And so I definitely had that belief.

There's this Tony Robbins quote that I talk about a lot, and I'm paraphrasing, but he said a lot of people have this limiting belief that's like, "Oh, when I'm rich, I'll give." But then the milestone keeps moving. And so just to summarize how this was relevant to me is I remember thinking as a medical student, "Well, I don't make any money, I definitely can't give."

And then I became a resident and you know, I was making 50K-ish a year, which is what, the median income in the US, maybe even higher. And the same thing. Well, I'm a resident, I'll give later. I'll give when I'm an attending. That sounds good, of course I'll do that.

And then I became attending. And then I was like, "Well, I've got student loans." And it was just like perpetuating this mindset that I didn't have

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enough money to give. And what Tony Robbins said in his quote is if you don't start giving wherever you are right now, whatever income level you are right now, he's like, you're not going to start giving once you're super rich. It's just not going to happen. You have to start training that sort of mindset muscle now that you can give a little bit.

And I think what you'll probably tell us, Recha, is that there's no amount that's too small, is what I'm guessing you will probably say.

Recha: Exactly. That's exactly right. And what you're saying, I think, is very important because you are going from this scarcity mindset to kind of this abundance mindset. And actually, the numbers show that it's not necessarily just wealthy people or people who identify as millionaires that give money.

There's a lot of people who have very little, who still donate a certain amount of their income, or their time, or possessions for the help of other people. So you definitely do not have to be really wealthy or really at a certain point in your financial journey to make a difference.

Bonnie: Yeah, so I thought the first thing we could do is, because you know I like definitions, is to talk about what is the definition of a philanthropist? Because I don't actually know what the dictionary says. But I think many of us when we hear that word we think, "Oh, super rich person." You know, it's like if you look it up it probably says a philanthropist is someone who has at least a net worth of X to give X. So tell us what it means actually.

Recha: So the word philanthropy actually means love of mankind. And when you do look up the definition, a philanthropist is a person who seeks to promote the welfare of others, especially by the donation of money. That was one of the definitions that I saw when I was looking it up.

But I think you're absolutely right, people have this idea of it's like this older white haired couple who has huge amounts of money and then they put

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their name on the side of some building or something like that. And that's this concept that we have of a philanthropist.

And for the majority of us, that's probably unattainable. And so, again, it makes us feel like we can't give. But in my mind, if we just go by a person who seeks to promote the welfare of others, then anybody who donates anything; their time, goods, any amount of money. If you can donate \$5 a month, if there are millions of people doing that, you can have an impact together.

And that was kind of a big thing for me to realize about the definition, that I had this preconceived notion of what a philanthropist was. And then when I realized, well, if I'm in this giving circle, and I'm giving \$25 a month, actually, all of us together are making a big impact. And that makes me a philanthropist.

Bonnie: Yeah, so I just love that all of us can identify as a philanthropist no matter what our income, our net worth, et cetera is. And I just think that's so cool that I can walk around saying, "Hey, I'm a philanthropist."

Recha: Absolutely, it's empowering. It really is an empowering kind of thought that you can think that's part of what I do, that's part of my identity. And then you can really kind of present yourself in the world with that thought.

Bonnie: Yeah, totally. All right, so actually this is fitting, because yesterday I got an email from Wikipedia about donating. And I use Wikipedia a lot, actually. I think a lot of us do, right? When you look up stuff, we generally trust its validity, right?

And he was saying, or the founder, I forget his name. But he was saying something like, if every person who used Wikipedia donated \$1, it was a very small amount. Maybe it was \$1, maybe it was \$5. He said, we wouldn't have to ask for donations for decades.

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And so that just reminded me of what you just said about even if you give a little bit, but just if everyone does it, it can make a huge impact. So I actually did give because I was like, “You know what, I do use Wikipedia and I'm happy to give and support this because I want it to keep existing.” And the founder feels really strongly about never using ads or that kind of stuff. He really wants it to be funded by the readers. So I just thought that was super cool.

Okay, so let's get into the nuts and bolts. So I don't know if you have a process that you want to specifically talk about. But this is how I think about how to pick a charity or a group of organizations. So let's just assume that someone has some areas of interest. So, women and children, it's super broad, but you can get narrow from there.

Do you feel like there's some top end categories that people can start and then start sort of honing in on? And what would those be?

Recha: Yes. So this is where I think of philanthropy as a very personal kind of thing. And I think it's really helpful to start exactly where you're saying, with these focus areas. And I think these focus areas, when you start thinking about it, can be very broad. Like women and children, that's one of kind of my go-to areas.

So my kind of process, one of the things I think about is when I choose my focus areas, what I like to do is to maybe choose between three and six basic focus areas of what are the things that are most important to me? What do I most want to have the impact on in the world?

And then when I start to dig down a little bit deeper in those, think about deciding on an organization to give to, I can use something like personal experience, which I've had. Or emotional response to current events, like this is happening in the world, this is a really important thing, I want to make this part of my plan. I can be inspired by others or see that there's something that needs to be done.

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So those are kind of the things that you can think about while you're looking at these. But there are some people who don't even have that basic focus area. And so if you have no idea where to start, if you want to pick three focus areas and you don't even know where to start, if you go to some of these charity evaluation websites, there's drop down lists of subjects. And you can look at those lists and they can kind of inspire you like, oh, actually, I do want to focus on this or that other area as well.

So, for me, I would say as you're deciding this part, if you decide on a few focus areas, what you can also do is decide that you're going to have a certain amount set aside for reactive giving. Which is exactly what you did with Wikipedia. You thought, "Oh, this is something that I care about, I'm going to donate a small amount to."

I'm sure we all get requests for like Facebook donations from friends for things that they believe in and you want to support that. So I would say that's part of the kind of philanthropy plan, is decide I'm going to have these basic focus areas. And I'm going to have this set aside for my reactive giving.

Bonnie: Oh, I really like that you said it that way. Okay, so this is just to summarize to make sure I understood you.

So first of all, I love the whole idea of just like making plans. It's kind of a lot of what I teach inside my program, because it's like just spending some time deciding ahead of time how you want to spend your money. And this is obviously part of that, like philanthropy.

So what I'm hearing is you almost think of it as like two buckets of money, so to speak. One is your planned giving that you've decided maybe who to give, or how much you want to give per month, per year, however you want to decide. And then have sort of a spontaneous pot of money for what you called reactive giving. So I didn't realize— that makes sense that's what it's called. So I really like that.

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Okay, so this is where my mind goes. So I feel like there's so many— Actually, I haven't sat down. But if I did sit down and made a list of things that were important to me or just all the examples that you gave, like I see something—

Just for example, women and children, it is a super broad topic, but just to give you some specific things that call to me is, I'm a huge believer in water safety for children. I know a physician mom who lost her daughter to drowning. And so that's one thing that I know I feel strongly about just personally. And I made sure that my son got lessons, but it's something that I want to help support.

So I'm sure my list probably has like 100 things on Recha. So I feel like, okay, I have a list of things that are important to me or that I'd like to help with. And then my mind goes into overwhelm, “Oh my God, well I can't give to all these places.” And so I end up really not making a plan to give at all.

So I've worked on this somewhat, but I'm curious of what you would say to someone like me or to other people. What would you say?

Recha: Well, first of all, I can totally relate. It's a really overwhelming thing when you first start to look at this. There's something like 1.8 million organizations, nonprofit organizations that you can give to. But this is the part I think you might like, because if you like making plans then this is kind of a way to do it. Is to really give yourself time to think through the most important things to you.

And start before you even start looking at what specific organizations can accomplish what you care about most, to really make a plan to focus on a few. Because this is exactly what happens to a lot of us, we are very— You know, doctors care about people, we want to help a lot of people. And when we're faced with, oh my gosh, this is everything that's going on in the world that needs help and that needs fixing, it can just be a complete overload, completely overwhelming.

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So before you look at that, if you start with, “I'm going to have these few focus areas,” and really make yourself whittle it down. And there are certain kind of thought processes that you can go to to make sure that you're really focused on what's most important.

Now I love the example that you gave about water safety because that's something very specific. And that will be easier to kind of get to how you can support that. But when you're faced with all of these other choices, if you have spent the time deciding what your focus areas are going to be, then you can say, “I have this planned. I'm not going to be overwhelmed or distracted by all of these other things. And this is what I'm going to put my attention to.”

And it actually takes out a lot of the noise and a lot of the overwhelm if you start there. If you start with a clear plan. And it can take a little bit of time and effort if you want to do that. But then I think it'll pay off because in the end, you're going to be able to be more effective when you have that ability to not be distracted and not be overwhelmed.

Bonnie: Yeah. What that reminds me of, Recha, is I have a business coach that I've been with for over a year. And one of the things that she's really taught me and I've really internalized, not just for business, but my life is she always has us pick, she calls it three essentials per quarter that we're working on.

Basically, it's like focus areas, priorities. But like really picking three max. And so I could see this being applicable to what we're talking about is having three maybe specific focus areas, probably not as broad as women and children. That's probably too broad, but that's a place to start if you don't have any focus areas.

And then maybe doing that— I'm just sort of thinking out loud here after hearing this. That could be for the whole year. And then maybe every year

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you'd re-decide, like, do I want to still pick these three? Maybe it's time to do something else.

And I also see that pot of reactive giving money is also a way to kind of add on more in case things come up that you want to just— Well, we're recording this in the end of 2021 and it's been quite a few years, right? Lots of crises, local and abroad, and so it's nice to have that sort of ability and plan to plan for both, I guess.

This is how I think of spending. There's like planned spending, people call it a budget, I prefer the term spending plan. And I have a lot of clients who say, "But you know what if there's something that's just random and spontaneous?" I'm like, "Well, you can plan for that and have just a pot of money for just buying whatever you want to."

Recha: Exactly. That's exactly right. And I think that's a great way of doing it. And I think that actually, I like to think of a giving plan or a philanthropy plan as being part of your regular financial plan. And it's something that you can make as simple or as complex as you want. And over time you can figure out what works for you. But I think that having that plan makes it less overwhelming.

Bonnie: Yeah, no, totally. Okay, so let's say we've figured out the focus areas, we've whittled that down to super specific focus areas. And let's say we have a shortlist of charities. Now, it's another opportunity to get overwhelmed here. Basically, it's well, how do you know which one to give to?

And what I mean by that question is it's not just Eenie, Miney, Mo, but I think most people listening to this podcast are going to want to make sure it's a legit organization. That it's actually doing something with the money. And then I hear some people throw around terms like what how much do they spend on administration?

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And one point that I saw you and some other women bring up is, it's not that the administration fees are not useful as a metric, but you really want to know, I think— What did you call it? Was it like an impact metric?

Recha: Yes.

Bonnie: Like how do we know that the money's actually doing something? What are the results and outcomes this charity is creating? And so what are your thoughts on that?

Recha: Okay, this is a really great question and it can be kind of a complex answer. This is not necessarily an easy thing to evaluate. So the example that you gave is, one of the things that we often go to when we want to donate to a charity is we go to one of these online charity evaluation websites. And one of the most common ones that people seem to use is Charity Navigator.

And that can have some helpful information on it. But most of the information it has is financial information, like the financial wellbeing of the organization and basically if they file their taxes appropriately and stuff.

So I like to think of that as well, would you go to a doctor just because they file their taxes correctly and their practice is solvent? Is that the judge of a good doctor? You know, not necessarily. It could also be, but that's not going to be necessarily the way to do it.

So this is a complex question, I'm going to try to break it down a little bit. One of the ways to be able to evaluate is, if you or somebody you trust and know has personal experience with the organization. This is actually really helpful because they can get internal insight about how things are done and about what kind of metrics they're using to evaluate things being done along the way. And if they're getting the desired outcome. But we don't always have people on the inside.

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So there are other ways of doing it. There are other charity evaluation websites, I would say that one of the basics if you're presented with something that you don't know anything about, I like Guide Star. It's also called Candid. But it's a website that does have the mission statement of the organizations. And you can look up what's called the 990 form.

So this is one of the kind of basic things that you can look at, which is filed to show that it is tax a deductible charitable organization that's in good standing. So Guide Star can give you that kind of first basic step, like is it legit? Is it a real business? And then the second step, look at the mission statement, does that go with what I already have as my focus area? Does that align with what I'm trying to do?

Then the next part, measuring the impact and seeing if they're actually doing what they're saying they're going to do. That becomes incredibly complex. And there's a couple of things to look at. One of them is actually looking at the websites of the organizations themselves.

If something is really well organized, they will have an annual impact report. And that impact report should tell you who is trying to make the change or who is trying to affect the change.

You don't want to be coming in from the outside and being like, "Oh, this is how you fix everything." You want the people who are going to be the beneficiaries to really be informing what's going on. So that should be part of the impact report, is who is informing it.

The impact report should also have how they're measuring it along the way and what they are accomplishing. The website should have some of that evaluated.

One of the much more limited but a fantastic website for charity evaluation is the Give Well website. And that one is part of this effective altruism movement, and that one has all of those things measured really well. They're very evidence based, they do a lot of evaluating the impact.

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They're going to have a group of like nine organizations or something like that, that they would recommend. But you know that they're going to be doing what they say they're going to be doing.

Bonnie: Tell us more about this effective altruism movement. That's a term I've been seeing more and more.

Recha: Okay, that's a great question. So it's kind of a movement within philanthropy that tries to have the most impact, kind of the most bang for your philanthropic buck. And that's often done in these organizations that deal with global health issues.

So the focus of effective altruism is to have the most impact for the least amount of money. And often that comes out in these global health initiatives, and it very much is evidence based.

So just to give an example, one of the examples that they give is a program that was in Kenya to try to help students, children be able to have better attendance at school and better scores and better outcomes. And so this group went in and tried to see what was going to work to help these kids.

And they started out with things that have worked in other places like giving them more textbooks, there were classes where they might have one textbook for 30 kids. And they measured the impact, there was no appreciable impact. They had smaller class size. Again, something that has worked in other places but that didn't actually make a significant difference there.

And then somebody suggested a \$1 de-worming treatment. Now that might not be on your focus list of this is what I'm going to do. But it turned out that for the cost, you know for \$1, they could do a de-worming treatment for these children. All of them had better attendance, all of them had better grades and outcomes.

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And when they actually went back and measured it, I believe it was 10 or 20 years later. Those benefits from one de-worming treatment actually held up in terms of the amount of income they had later on.

So effective altruism is based on these very clear evidence based ideas to try to help people, mostly people in the greatest areas of poverty.

Bonnie: Yeah, I feel like I actually heard about this study or this example you just gave, I just can't remember where. But first of all, I think our listeners are just going to love the whole idea of effective altruism, that it's evidence based, because we love that as doctors. We want to see that this intervention actually works and it's been studied.

So what came to mind, and we don't have to really go into this, but obviously, someone has to pay for these studies, right? So is that something the organization actually conducts? Or is this like a third party? Or is it both? I'm not sure if you know the answer to this.

Recha: It can actually be both. So there are a lot of organizations that do their focus on research. And there are some that have their focus both on research and carrying out the results of the research.

Bonnie: Yeah. Okay, well, that was super cool. This was something new for me, so thanks so much for educating us. All right. Well, I think this was such an amazing conversation, I learned so much. So I just kind of want to summarize, and feel free to correct me if I got something wrong.

So the reason why I wanted to have you on here was to help people figure out who to give to and not feel overwhelmed about doing so. And so I think what we're recommending is first, just start with some focus areas, like don't make a list of 100 like I was doing before.

Maybe pick three focus areas for the year. And it just means that that's what you're going to focus on for the year, or whatever cadence resonates

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with you. And just helps you sort of prioritize and focus who you're going to select.

And then once you have really whittled it down to these specific focus areas, then if you want to go deeper, when I say deeper meaning you want to make sure you're picking legit charities. It sounds like having a trusted referral, meaning someone who knows the organization or maybe if you have a friend who's in the organization that seems to sort of work for many things, right?

Like when people always ask me how do you find an estate planning lawyer? I think a trusted referral is always number one before you kind of just Google stuff, right? So I think the same sort of advice holds true for this.

And then if we don't happen to have a friend who's on the board, which most of us probably don't, then there are some websites that can help but using a website like Charity Navigator, not that it's not helpful, but it's limited because it's giving you information that doesn't necessarily reflect the impact or what they actually do.

I love the analogy you gave about picking a doctor. Do you look at whether they file taxes or whether they pay the doctor? I don't think any of us think about that remotely. We just want to know if this doctor can help us. And if they're nice, that's an added bonus. I mean, ideally, you have both.

And I also love this idea of effective altruism, meaning does the organization actually do what's it's going to say it's going to do? What is the actual measurement of that outcome they do? Does that sum it up pretty well?

Recha: That does, that sounds great.

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Bonnie: Yeah, my one quick question about effective altruism, my guess is that not every organization has been able to study their impact. It just sounds like it requires resources to do that, right?

Recha: Yes.

Bonnie: Yeah. So just because the organization hasn't been fully vetted by research doesn't mean that they're not making an impact, correct?

Recha: That's absolutely correct. So really, when you go to the website that's part of that movement there are going to be very few charities that you see on there, very few organizations. But it absolutely doesn't mean that— There are so many others that are doing incredible work.

Bonnie: Yeah. And another thing I wanted to add, I said if you have a trusted referral or know someone in the organization is, a lot of my friends have been saying that one of the things they love to do is really get involved with something local in their community. And I think that's a great way to also get involved. Not just involved, like making an impact, but also getting to know the organization if it's local to you, right?

Recha: Absolutely. And actually I would recommend looking for a community foundation. So community foundations are the ones that are in your area and that address issues that are very local to where you are.

Bonnie: Yeah. All right, well this was such an amazing conversation. How can people find you Recha?

Recha: Well, I can be found online on Instagram @Physicianphilanthropist. On Facebook I am also the physician philanthropist on Facebook. And I have just opened up a private Facebook group, for physicians only, about philanthropy. I have a website now, thephysicianphilanthropist.com. And now I'm questioning my decision of using that as the title, saying it over and over again.

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Bonnie: Well, I think it's good to have the same name for everything. We'll link everything in the show notes so people can just click on it.

Recha: So on that I do have a short free webinar to kind of give an intro, a lot of the stuff that we've talked about today. And I'm also soon going to have an online, on-demand course that goes into a lot more depth. So if this is interesting and there's more that you would like to learn or know about this subject, it will go into a lot more detail.

Bonnie: Awesome. Great. Thanks so much for being here.

Recha: Thank you so much for having me, this has been great.

Hey, if you enjoyed this episode and don't want to miss out on new episodes, please hit the subscribe button on your favorite podcast app. See you next week.