

## Doing Well and Doing Good

**Lisa Elser**

“Ethical Gemstones” and “Fair Trade” are rapidly moving from buzzwords to standards in the jewelry industry. I am routinely asked about my gems – where they come from, who mines them, how I get them, where I cut them.

Having answers to these questions helps the people who buy and wear our work feel more confident in their choice, and more connected to the gems. Those answers can help us promote our work and sell more.

As faceters, we work with material mined for us by some very poor people in some very poor countries. Most of the garnet, tourmaline, and even many quartzes, are mined by artisanal miners doing backbreaking work in the hope of finding a few good pieces.

While there are organizations doing excellent work with Fair Trade diamonds and gold, coloured stone mining is harder to manage. Most miners are small scale, going from region to region as new mines open. The Fair Trade practices that work for larger-scale mining don't really apply to artisanal mining. The industry is a long way from a Fair Trade certification for coloured stones.



**Figure 1 Artisan mining in Tanzania**



## ***Doing Well and Doing Good cont'd...***

A few organizations have popped up claiming to be direct links to artisanal miners. They offer to “change the supply chain and give money directly to the people in country.” No matter what anyone tells you, you’re buying from and paying middlemen. “Mine direct” isn’t. I’ve met a lot of miners, and spent a lot of time in mines. Maybe once I’ve met a miner (not a mine owner, but a worker) who spoke a bit of English. If you’re communicating with someone on the Internet, or negotiating in English even in country, you’re dealing with a middleman. These middlemen are, by local standards, middle or even upper middle class and earn well beyond average.

There’s nothing wrong with brokers. I absolutely love my brokers and depend on them. I’m a broker myself since I sell rough. The problem comes when faceters or gem buyers who want to support the countries and people who provide their gems are suckered into believing they are giving to charities or supporting miners directly, when they are actually just doing business as usual.

So how does someone go about *really* doing good, and how can doing good help us do well? The suggestions below have worked for me and for my business.

### **Understand the Culture**

Most faceters will never travel to Africa. Even those of us who do may only spend a week or two each year there, and probably don’t speak the languages. It’s easy to get taken in by poorly run or even fraudulent people and organizations.

It’s important to realize that “African” does not equal “Poor.” Some of my brokers are doctors and engineers! When I first began travelling to Africa and Asia in the late 1990’s I saw houses with no plumbing, or no windows. There were people sitting on the sidewalks or in the street sewing. I saw things that in the US or Canada or Europe would be signs of extreme poverty, but as I developed my understanding of the local environment, realized that these people were educated, employed, and sending their kids to school.

It’s insulting to offer middle class or working class people charity because they look to us to be poor. Giving gifts of money or goods to your broker is like giving to any other friend or colleague. It’s not charity to help pay tuition for your own broker’s child or foster child. There are plenty of children for whom lack of money means no education – why subsidize a child who’s already cared for?

I focus here on Africa, but there is a lot of need in Asia, India, South America, Mexico, even the US. We try to give mostly within the countries that supply our gems, and try to make sure most of the projects we fund are in the gem supplying regions of those countries.



## ***Doing Well and Doing Good cont'd...***

By better understanding the local standards of the countries where you donate, you stand an excellent chance of not being taken in by the wrong organizations.

### **Think Locally**

No matter where you live, there is poverty and suffering. It's a bit more glamorous to donate in Africa or Asia but don't overlook organizations closer to home.

If you find causes or organizations in your local area that you feel passionate about, that's just as valid and important as giving to the developing world!

### **Decide What You Can Give**

Giving back is very personal. It's important to make sure the home front is cared for, but after that, how much can you afford to give? My husband and I try to stick to a 25% of our net profits, but this year, for example, we both had surgery and between the time off and the costs not covered by insurance, we're able to give less. It doesn't help anyone if I give so much that my business or home suffers.

Some of my clients will donate a percentage of the proceeds from our events rather than a given amount or percentage each year. That helps market the event, and allows customers to feel they have a stake in the donation.

### **Follow Your Values**

Donating to organizations that you feel strongly about makes it easier to keep giving. Find something where you can make a difference and that speaks to you, and concentrate your time and treasure there. It's much easier to write the check when you really believe in what you're doing!

Most charitable oversight organizations suggest you concentrate your charitable efforts in the areas that matter most to you

Tom and I decided to focus on organizations that promote economic well being while others give to hospitals and food relief that support the general well being of everyone in the country. Our donations go to small business cooperatives, education, and water or sanitation efforts. We feel that these offer the best opportunity for people to rise out of poverty. We'll make donations within our own religious tradition (Buddhism) but otherwise stick to secular organizations.

Other friends of ours donate to health and hospitals. A few talented and dedicated friends have skills that allow them to donate their time as doctors, nurses or engineers.

## *Doing Well and Doing Good cont'd...*

When you're giving time, money or goods, you're shaping a bit of the world. Figure out what's important to you and make your donations count.



**Figure 2 Small-Scale Business support - Me with one of the women's co-ops we donated to.**

### **Think Beyond Money.**

We make pretty stuff. People want it. Sometimes the right answer is donating a gem or a piece of jewelry instead of cash.

I will sometimes put stones into inexpensive mountings and donate them to a local women's shelter. Someone going through a terrible time gets a pretty pendant. I get a gem out of my inventory and can take a deduction.

Better pieces can often be donated to hospitals, hospices, schools...any organization running a fundraiser would be delighted with a donation. You're helping raise money for excellent causes in your own backyard.





## *Doing Well and Doing Good cont'd...*

Jeff White, a superb gem cutter and wonderful person, has auctioned gems on Ebay ( [www.ebay.com](http://www.ebay.com) ) and donated the entire proceeds to a cause. He's raised serious money and offered up beautiful gems.

### **Find Reputable Organizations**

Whether you are donating money, goods or time, you MUST be sure that the organization benefiting deserves your contributions.

Anyone can set up a "non profit." It takes an afternoon and usually costs less than \$250. That non-profit is NOT tax exempt, and has no track record to show. If you're putting your hard earned money into a charity, it should be a good one.

- **Look for a 501(c)3 organization in the US.** The application process is comprehensive, and organizations must submit financial statements and be subject to audit. If you hear "we're applying for 501(c)3 status" wait until they've achieved it. Anyone can start a non-profit. Getting tax exempt status is harder. The process for becoming tax exempt goes a long way, but you STILL need to check an organization's financials and reviews to be certain.
- **Check financial information.** Any ethical non-profit will post financial records. As an example, MSABI which supports wells and sanitation in Tanzania, posts their audited financials on the website. <http://www.msabi.org/#!/financials/c1lxv>

Don't put money into any organization that won't or can't show you 2 years of financial and tax filings.

- **Research your Organizations.** It's worth taking the time to see where your money will go! Looking at the financials, you can see how much of each donation goes to the work, and how much to administrative. Administrative costs should be under 10-15%. You'll also see how "close to the ground" they are. Do they have presence in the countries where they work or are they funneling money through themselves to local groups? Why give to an organization that's just a middleman? If a charity donates to another charity, just bypass the first organization and donate directly.

Use a site like <http://www.charitywatch.org/> or <http://www.charitynavigator.org/> to check on potential organizations. One of the advantages of sticking with established tax-exempt groups is that you can see how much of your donation goes to actual charitable work.

*Doing Well and Doing Good cont'd...*

The Global Journal posts a list of the top 100 Non Governmental Organizations each year. NGOs work on the ground, and do amazing work.

<http://theglobaljournal.net/article/view/585/>



**Figure 3. A well run NGO – MSABI builds wells and sanitation in Tanzania**

*Doing Well and Doing Good cont'd...*



**Figure 4 International Organization with local impact - SOS Children's Village in Arusha**

**Market Your Efforts**

Charitable giving is a real part of our business plan. I would be donating anyway – Tom and I have always given to charity – but doing so as part of my business has certainly increased my sales and my visibility.

Be sure that you're taking deductions for your donations. Sticking with 501(c)3 organizations allows you to take a deduction off your personal taxes whether or not you're operating as a business. I don't mind paying my taxes, but I'd much rather redirect some of that money to charities of my choice.

Promote the good work you're doing. Make sure that your clients understand that part of their purchases goes to helping people in need. I've found that while some clients don't care at all, most do. They'd rather buy from someone doing good works than someone who's just selling. Because we donate a percentage of our net profits, the better we do the more we can donate.



## *Doing Well and Doing Good cont'd...*

Promote your gem and jewelry work. Take on the educational challenge as well as a sales challenge. The more that jewelers and end customers who buy our work know, and care, about what fair trade and ethical practices look like in the colored stone industry, the more they will demand ethical practices in all business dealings.

### **Summing Up**

Charitable giving is a deeply personal choice. I have found that by making sound choices in how, what and where I donate, using my giving as part of my business marketing plan, and education my customers, I'm able to give back, and to improve my own life.

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Lisa Elser is a professional gem cutter based in Vancouver BC. She and her husband travel the world to source their rough material.

She can be contacted through her website at: [www.lisaelser.com](http://www.lisaelser.com)