

LEADING BY EXAMPLE: BEST PRACTICES IN CHARITABLE GIVING

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Why are you—a professional advisor— so key to the philanthropic conversation?

- Philanthropic decisions are part of complete financial and estate plans
- Present at important life and business transitions and transactions
- Know the client; in a position to raise thought-provoking questions
- Information resource vs. opinion



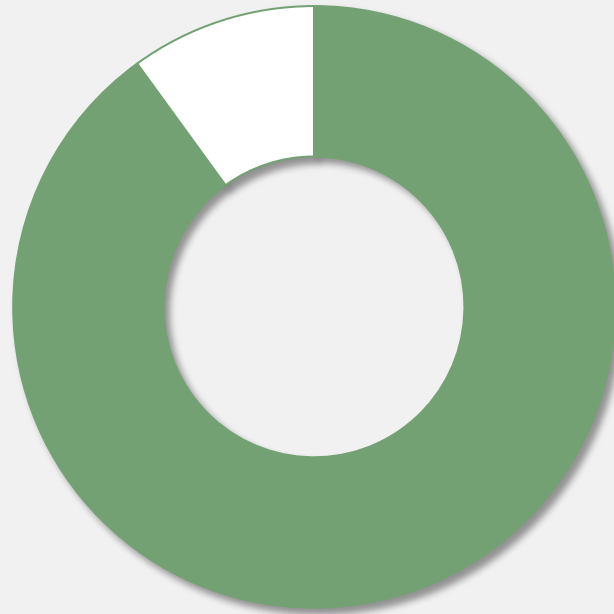
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Are you talking to your clients about
their philanthropy?



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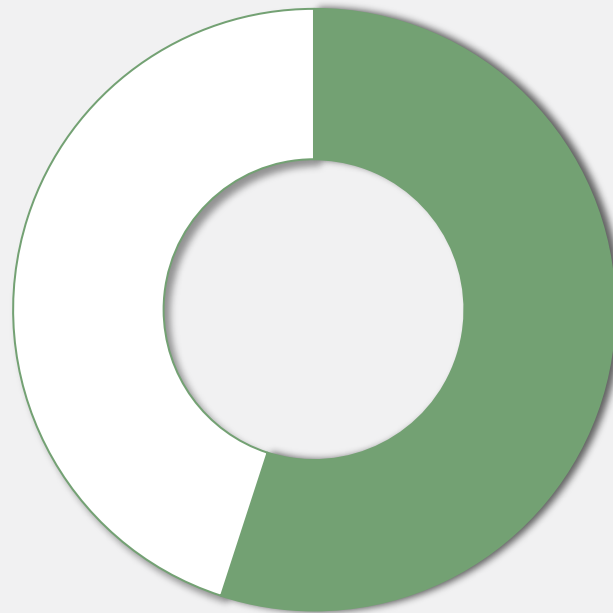
Yes.



89% of advisors say they discuss philanthropy with their clients



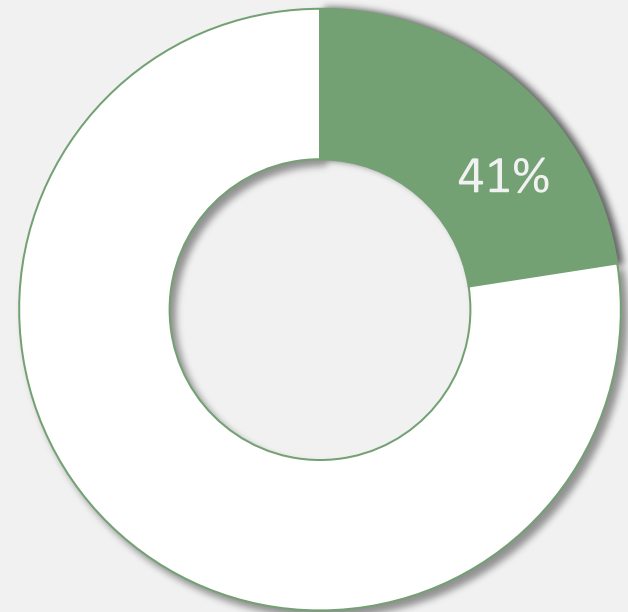
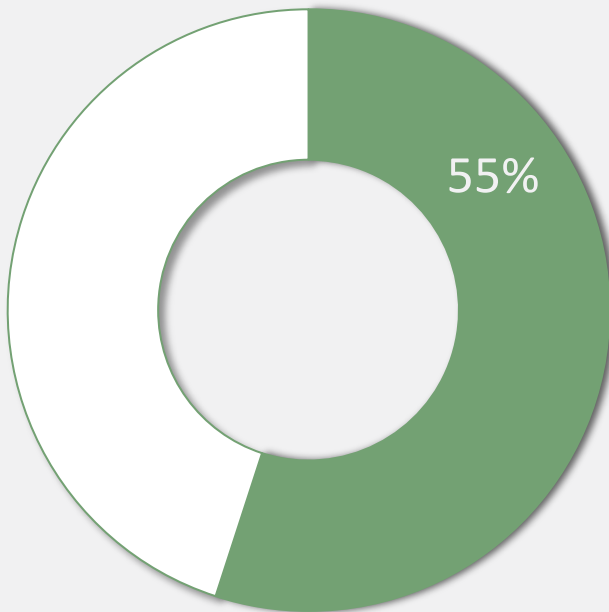
But here's the reality:



55% of HNW individuals say they have discussed philanthropy with their advisor



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41% of those HNW have found those discussions to be fully satisfying



What are the top reasons clients give?

Create a family legacy

Reduce taxes

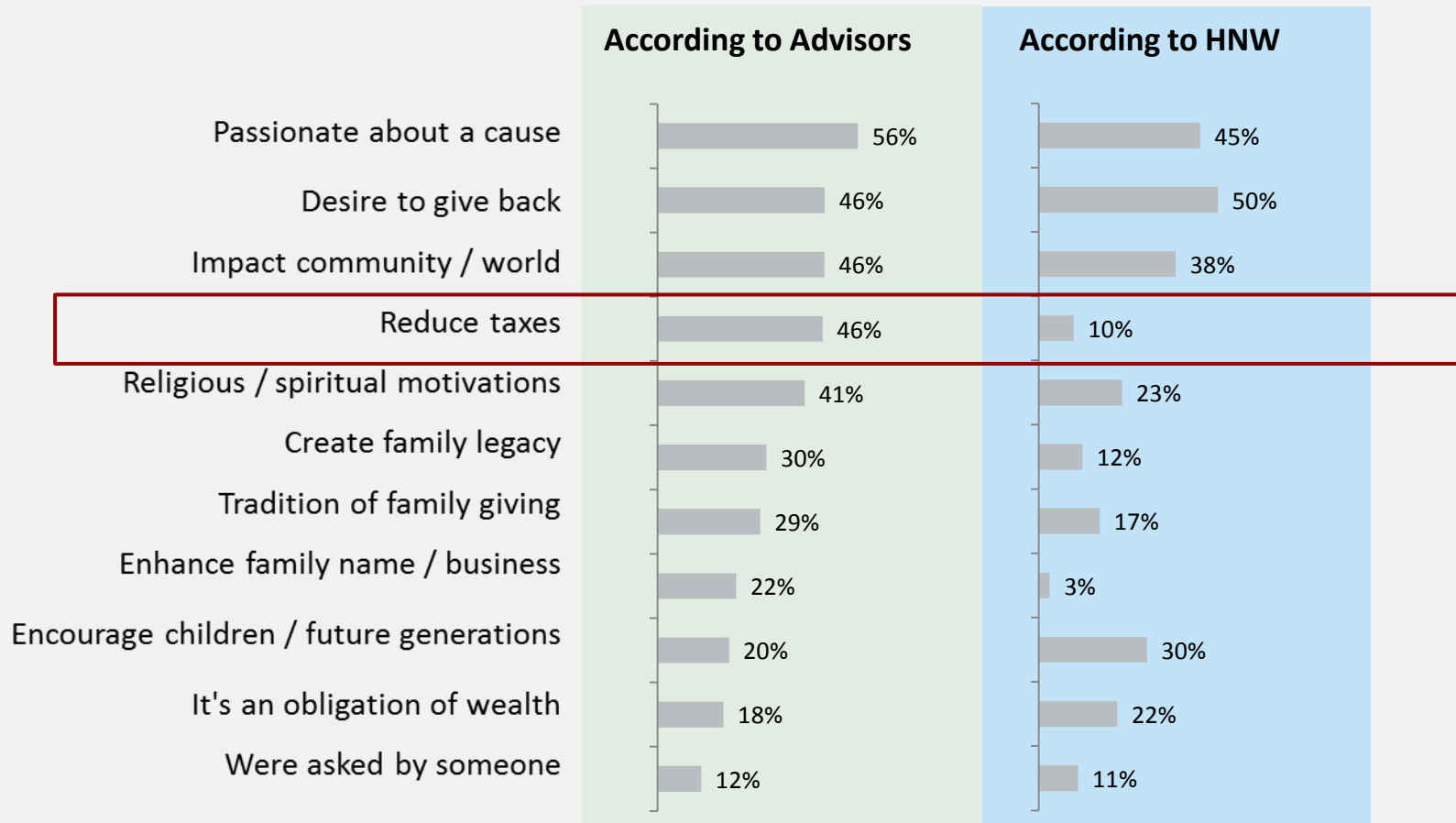
Religious/spiritual motivations

Enhance family name/business

All of the above

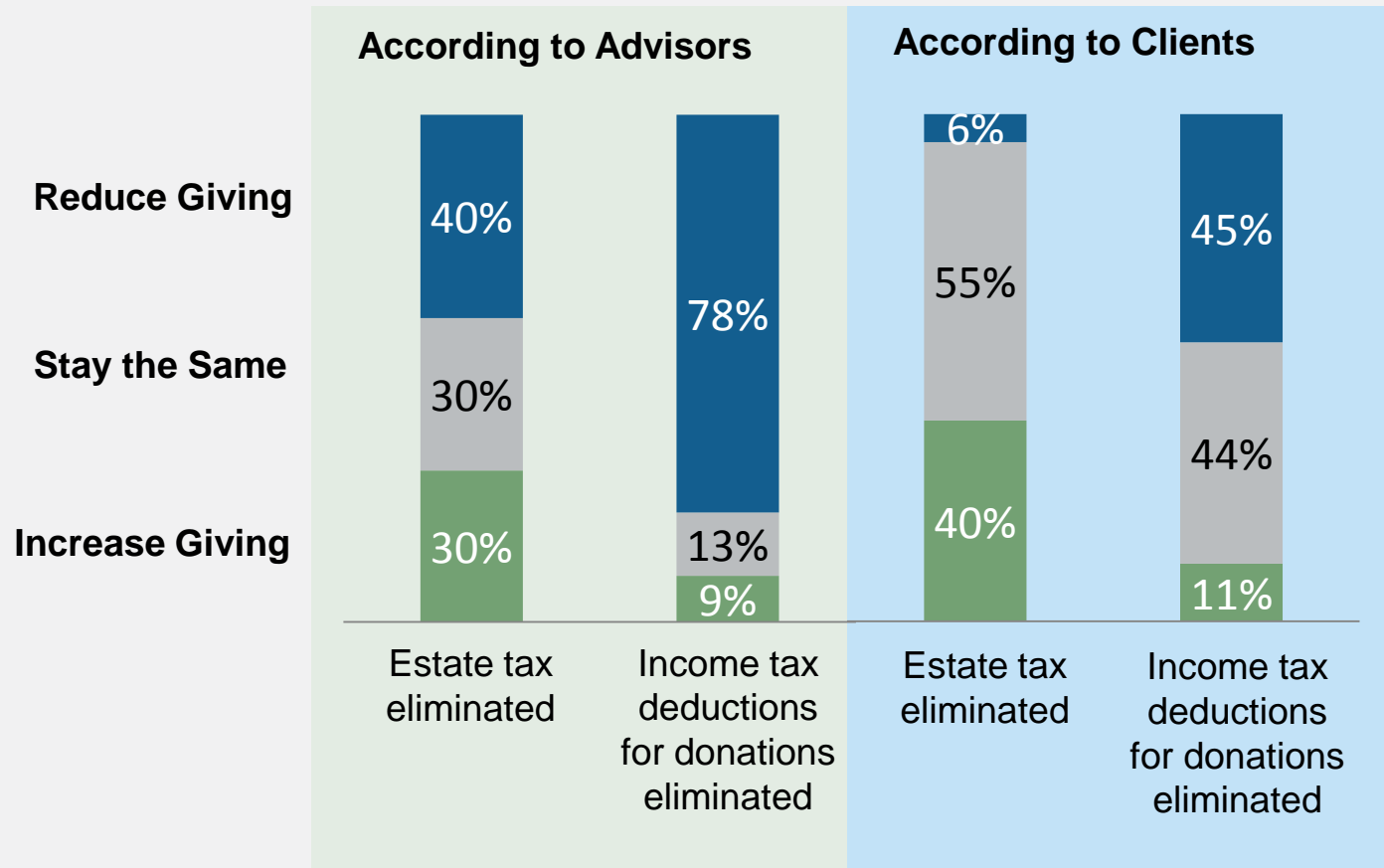


Why do your clients give?





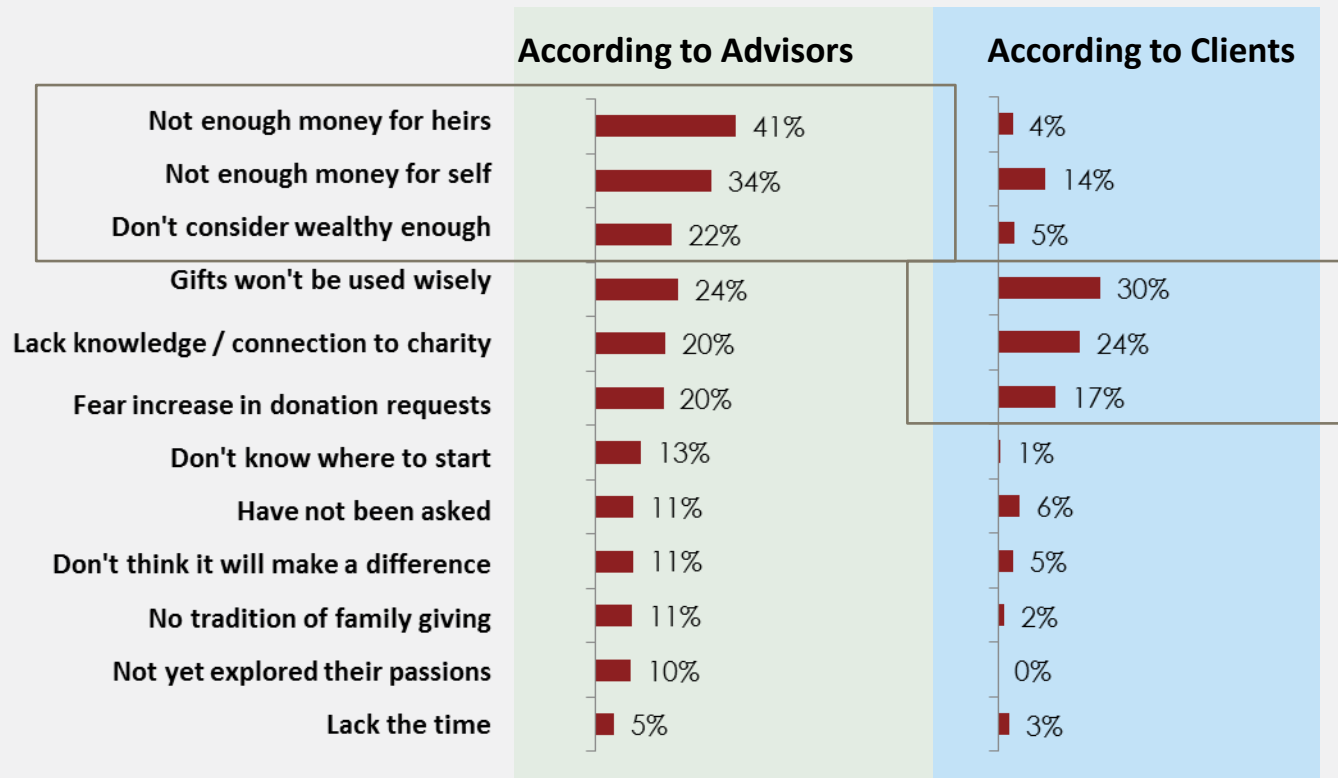
Tax benefits are much less important than imagined





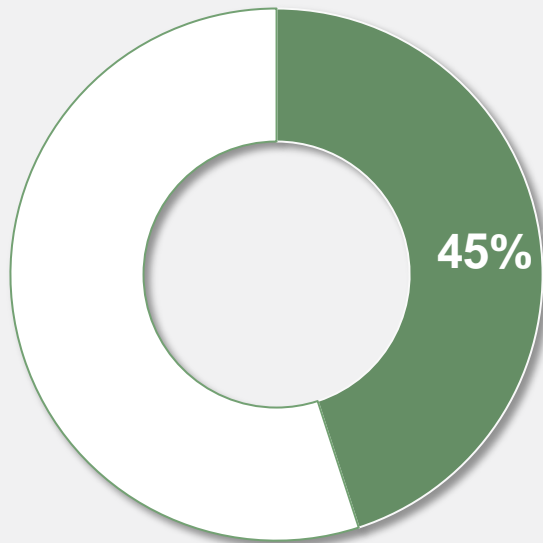
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Why don't clients give?

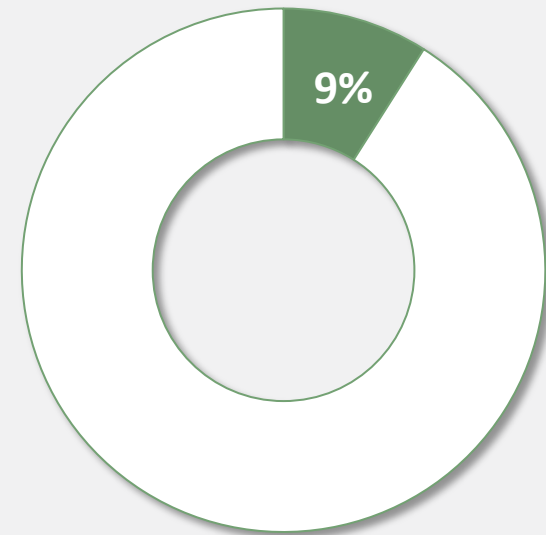




Involving the generations



Clients who feel it is important to involve their children or grandchildren in discussions with their advisors



Clients who report their advisors have suggested involving children or grandchildren in discussions



Topics that engage clients

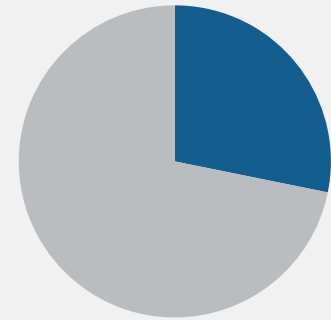
Technical topics

- Explain tax benefits/ask as part of tax preparation
- Part of the total financial planning/estate planning/wealth transfer
- Discuss leaving assets to charities
- Review level of current/past giving

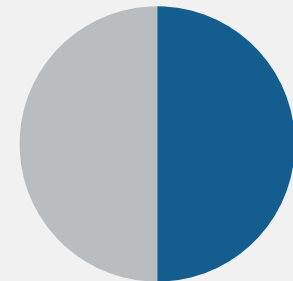
Personal topics

- Ask about passions/philanthropic goals/ interests in charities
- Bring up topic of leaving a legacy/legacy planning
- Discuss philanthropic activities of advisor/ showing knowledge of advisor

Ways advisors initiate



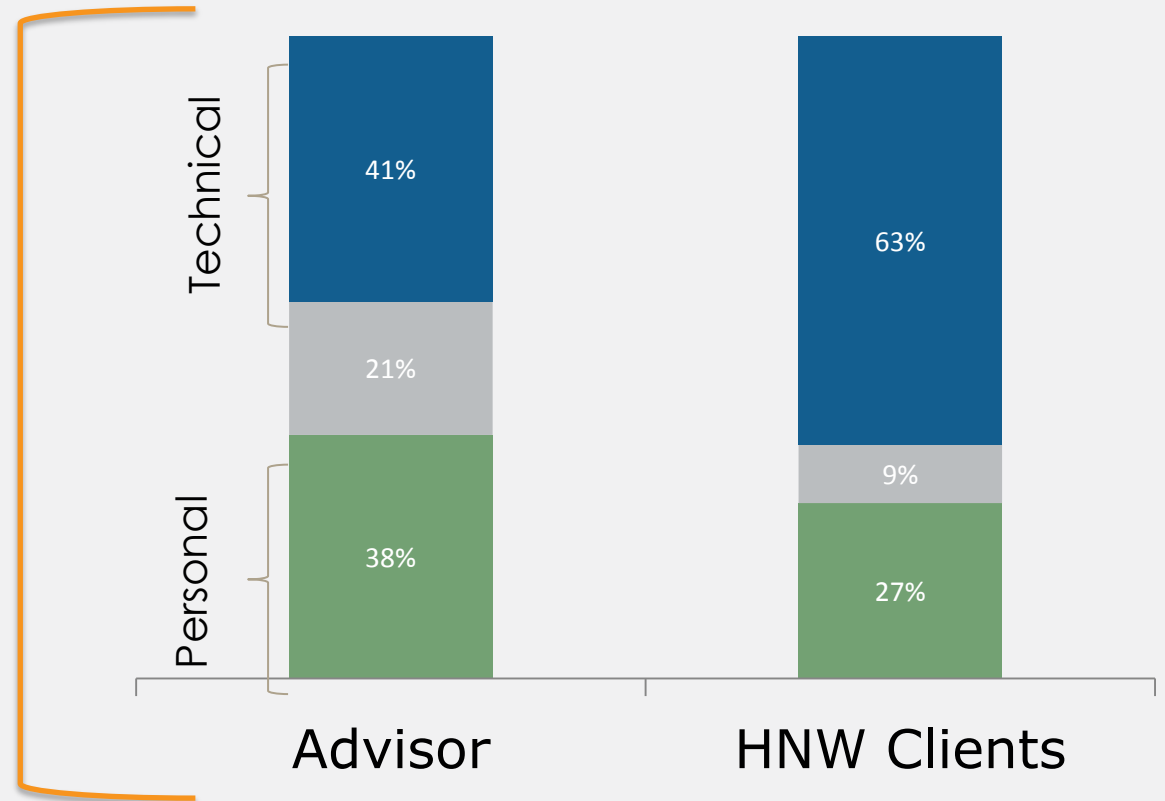
Ways clients find interesting





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Perceived focus of discussion





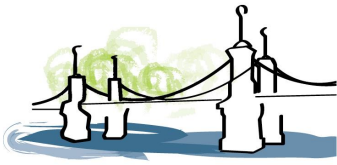
What to ask

- Are there causes or issues about which you feel particularly strong?
- Why have you made gifts in the past? What guided your decision-making?
- Of the gifts that you have made, which have given you the most satisfaction? The least? Why?
- Does your current financial or estate plan reflect your values, as an individual or as a family?
- Have you included your family in your giving?
- What do you want your wealth to accomplish for your children?
- How are you going to prepare your children for a financial inheritance?
- Have you thought about the legacy you will leave?
- May I explain how I approach decision-making around my own philanthropy?



Conversation entry points

- Family values, traditions, affiliations
- Community involvement, social concerns
- Desire for lasting legacy
- Nonprofit board involvement
- Wealth as a burden
- Liquidity events or inheritance



How soon is too soon for the philanthropic conversation?

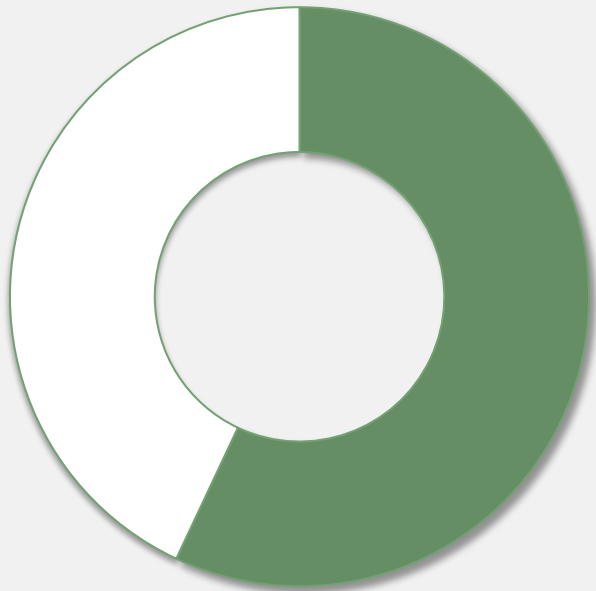
33% of HNW clients feel the topic should be raised during the very first meeting!

90% of HNW clients say within the first few meetings with their advisor.



Advisors plan to increase their knowledge

57% Plan to Increase Knowledge About Philanthropy



Which Philanthropy Topics Are You Interested in Learning About¹

Developing strategic giving plans and mission formation	55%
Understanding more about giving vehicles (Charitable Trusts, etc.)	50%
Integrating values and goals into overarching wealth management plans	46%
Engaging the next generation in philanthropic giving	45%
Impact investing (socially-responsible investing, etc.)	38%
Becoming more familiar with non-profits and community/social needs	36%
Ways to initiate discussions about philanthropy with HNW consumers	33%



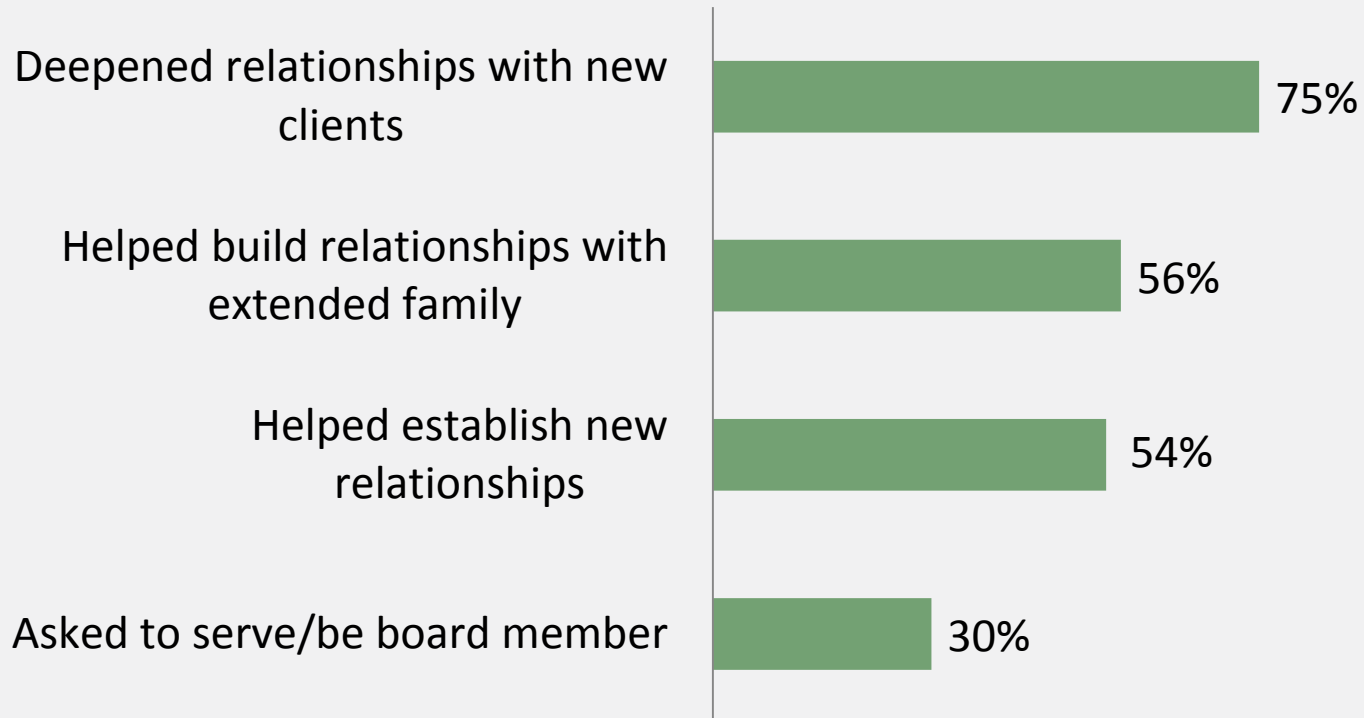
Values exercise

What are your top five core values?



The reward to you

Advisors who have seen the impact philanthropic discussions have on their business





What gets in the way?

- Do I know enough? What kinds of tools and training do I need to do it well?
- How assertive should I be in encouraging giving?
- How do I bill for it?



No need to go it alone.

Opening the conversation is just the beginning

Advisor Information

FFI.org

FamilyOffice.com

AdvisorsInPhilanthropy.org

TheAmericanCollege.edu

TPI.org and TBF.org

Donor advising

Through community foundations, such as the Boston Foundation/TPI, or a philanthropic advisor

Donor support orgs

AGMconnect.org

NCFP.org

ExponentPhilanthropy.org

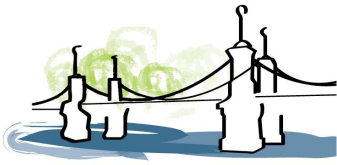
CoF.org

GEOFunders.org



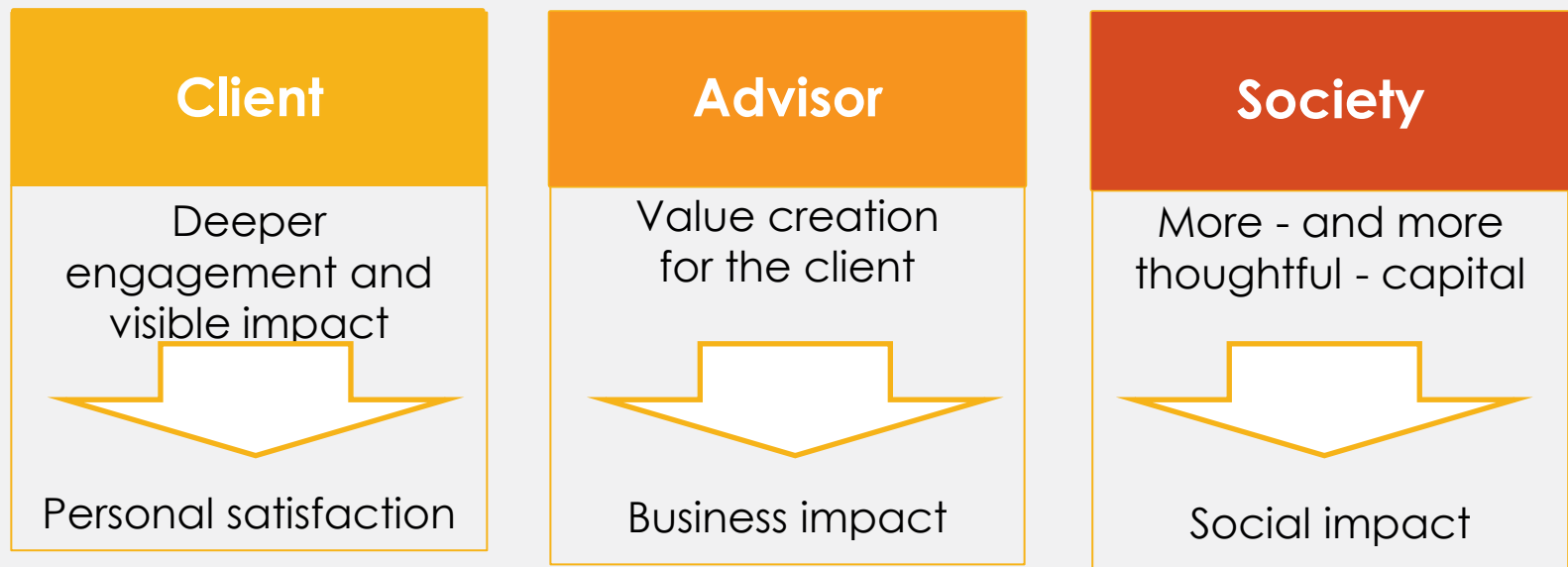
Key Takeaways

- Conversations around philanthropy can't be effective if you don't have them!
- Put taxes and giving vehicles in the back seat for philanthropic discussions. Personal topics like passions, values, strategy, and impact are the drivers.
- Determine your own desired level of expertise and build your network of resources.



The “Triple Win”

When professional advisors support their clients’ philanthropic interests and potential, who benefits?





Appendix

The US Trust Study of the Philanthropic Discussion conducted in partnership with The Philanthropic Initiative (TPI)

- A comprehensive, quantitative online survey among a broad random sample of professional advisors who advise HNW clients
- A total of 312 professional advisors completed the survey
 - Wealth/financial 104
 - Trust/estate attorneys 102
 - Tax/accountants 106
- The advisor sample is not company/firm specific
- Simultaneous online survey among HNW individuals (\$3M+ in investible assets) who are actively engaged in philanthropy