

Raising the Charitable Giving Question

The advisor's role in philanthropy

Asking a client about philanthropy and their philanthropic interests may seem daunting. It is, however, an important part of providing complete financial planning and professional advice to your clients. For a host of reasons, any informed advisor should be prepared to talk with clients about charity.



Many clients are already in the habit of supporting charity. For clients with substantial estates, minimizing or eliminating estate taxes is difficult to do without some charitable planning. Philanthropy can help resolve many personal issues that are deeply important to clients.

Beyond its practical uses, philanthropy can help clients answer questions such as:

- How can I feel that the world is better for my having been here?
- How can I balance the moral demands of my conscience or religious beliefs with my material wealth?

And many professional advisors find that assisting clients in this area is personally rewarding as well, because they struggle with the same issues.

Asking about charity

Some professional advisors hesitate to ask clients about charitable giving because of a number of misperceptions:

- Asking the question is too intrusive. It's none of my business.
- I might damage the relationship if I ask.
- My client won't be interested unless there are large tax savings.
- A charitable gift will interfere with my client's goal of providing for his family.

Recent studies of donors and their professional advisors by The Philanthropic Initiative of Boston, as well as charities extensive experience with donors, have shown just the opposite:

- Clients want help with their philanthropy and wish their advisors knew more.
- Good charitable advice strengthens the client relationship by providing better service to the client and generating greater client loyalty.
- When considering charitable gifts, clients are generally cause-driven first, tax-driven second.
- High-quality charitable planning can meet multiple goals, and can result in a larger benefit to family members.