

# Charitable Planning Discussion

Proactively discussing charitable giving should be a natural part of the dialog between a financial advisor and their clients; 95% of wealthy Americans are already donors to charity.

Yet a study in October 2013 by TPI/US illustrates a disconnect between advisors and their clients when it comes to starting and maintaining a discussion on charitable giving. The survey indicated that clients felt that advisors brought up the subject only 17% of the time, even though 88% of advisors felt it was an important subject to discuss.

How to bridge the disconnect? As an advisor, there are two areas to focus on when better engaging your client base in the conversation on charitable giving: who to talk to and what to ask them.



## Who to Talk To?

Modern donors have become more varied; no longer do they only fit the stereotype of older, wealthier clients with children.

Diverse modern donors include:

- Couples or individuals without children
- Never-married adults
- Divorced or widowed clients
- Women (Often live longer, often more charitably-inclined)
- Parents with very successful children
- Parents who want to limit the amount that they leave to children for varied reasons
- Clients who are involved with charities or community causes currently
- Younger entrepreneurs (entrepreneurs are usually more generous than inheritors)
- Young families who want their children involved in charitable good
- Clients who may sell/have recently sold a business (or those anticipating some sort of similar liquidity event)

## What to Ask Them?

Whether your specific role is as a financial planner, attorney, wealth advisor, or related occupation, explain to your clients that a conversation concerning their charitable interests will allow you to provide them the best professional advice possible. The questions to start with include:

- “Are you currently involved with any non-profit organizations? How . . . as a donor, volunteer, board member?”
- “Do you typically support the same charities every year or do you vary your support from year to year?”
- “How do you decide which charities you support?”
- “Who else helps you decide which charities to support?”
- “Do you give the same amount each year? Upon what does it depend?”
- “Which donations have you made that have provided the greatest satisfaction or regret?”
- “Would you prefer to give anonymously or receive recognition?”
- “What types of assets have you used when you have donated in the past? Cash, checks, appreciated stock, other non-cash assets?”
- “Do you have any charitable vehicles in place, such as a private foundation or donor advised fund?”
- “Do you want to donate during your lifetime, at death, or for many years after your death?”