

Client conversations: Why your 2023 agenda must include charitable giving



No doubt, your news feed includes far more [articles](#) about philanthropy as a planning tool for your clients than it did just a few years ago. Charitable giving has always been an important subject of client discussions for attorneys, accountants, and financial advisors. What's changed is that widespread coverage of both [major](#) charitable gifts and the ease of making [online](#) donations has prompted more of your clients to pay attention to philanthropy.

Among the dozens of reasons to talk with your clients about their charitable giving plans are what many advisors consider to be the top three:

Tax strategies

This is a no-brainer on the list, but still, don't assume that tax strategies will be the driving force for every client. After all, even if the tax savings on dollars donated reaches 35% or even 40%, your client will still wind up with less money in their pocket after making the donation than they would have if they'd never made the donation in the first place.

Happily, though, most Americans are charitable, with at least 50% [reporting](#) that they give to one or more charitable organizations each year. That means it's likely that at least half of the clients walking into your office are giving to charity, so you need to be able to address the tax aspects of charitable planning. Keep in touch with the community foundation to stay current on the basics of tax deductibility, including AGI limitations, understanding the differences between public charities such as a donor-advised fund at the community foundation versus a private foundation, and the benefits of donating highly-appreciated assets to charity. The community foundation is also the go-to resource for more complex giving, such as bequests, Qualified Charitable Distributions where retirement-age clients can give money from their IRAs to charity, and even gifts of real estate or closely-held assets.

Serving clients across generations

Surveys indicate that the [majority](#) of children inheriting their parents' estates will fire their parents' financial advisor. An aging client base can be extremely dangerous to an advisor's business. Whether you are an attorney, accountant, or financial advisor, you're certainly aware that you need to build relationships with the next generation to stand a chance of retaining the business long-term. That's easier said than done, though, with client confidentiality rules and even just plain old awkwardness frequently standing in the way.

Enter philanthropy. When you work with your clients on their charitable giving plans, there are several ways to include the clients' children and grandchildren in the planning, thereby giving you the opportunity to build strong, multi-generational relationships. By helping your client plan an overall charitable giving strategy, including, for example, naming children and grandchildren as successor advisors to a donor-advised fund at the community foundation, you'll get to know the family dynamics as well as build relationships with other family members.

Responsibility to assist clients with their charitable goals

Many advisors take philanthropy seriously, adopting a [disciplined approach](#) and believing that it is their responsibility to understand their clients' charitable goals and implement them to the best of their abilities using the very best tools available in the market. This is frequently the reason so many advisors turn to the community foundation for assistance as they serve their charitable clients, whether that assistance is behind-the-scenes or working together with the client.

The community foundation's purpose is to serve philanthropic individuals and families, as well as the organizations they support, to maximize overall positive impact on the community's quality of life. The team at the community foundation is not only well-versed in the tax rules governing charitable giving, but it is also deeply familiar with the programmatic elements that are critical for a nonprofit organization to deploy a financial donation into meaningful, tangible improvement in the quality of life of the people the nonprofit serves. For advisors, the community foundation's expertise and due diligence offer peace of mind that a client's favorite nonprofits have been well-vetted and are in good standing, and that their programs are legitimately serving a community need.

By keeping these three reasons in mind, you'll be better prepared to proactively raise the subject of charitable giving in your upcoming client meetings. We look forward to working together to serve your charitable clients.