

GUEST ARTICLE: Year-End Tips for Helping Clients Navigate Their Philanthropy

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As the end of the year looms over the horizon, it is common to consider philanthropic gifts. Here is actionable advice from an expert.

A regular commentator on philanthropy issues at Family Wealth Report is Susan Winer, chief operating officer and a founder of Strategic Philanthropy. (More on the author and her firm below.) Here, she sets out advice for philanthropists at in the end-of-year giving season.

A year ago December, we published an article about year-end giving and we thought - given that the holidays will be here before we know it—it was worth revisiting the topic. We are doing so this year in November, before Thanksgiving, so that you and your clients have more opportunity to talk and plan.

The first step is to encourage your clients to start addressing thinking more seriously about, and talking with family members about, their philanthropic intentions. This is also an excellent forerunner to another conversation you will be having with them very soon about taxes and expenses. Factoring in their philanthropic planning is an important part of their overall financial planning.

Guiding clients towards thoughtful philanthropy decisions

There are a few basic things you can do while talking with your clients about year-end planning. Not only is this helpful for them but it demonstrates your role as a thought leader and your support around those aspects of their lives that are important to them.

- Discourage “knee jerk” decisions about giving. At this time of year, we all receive literally hundreds of solicitations in the mail or from friends. Having a focus and parameters about what they give to and when helps reduce the stress of ‘reactive’ giving.
- Have a deeper conversation about your client’s philanthropic intentions and plans, perhaps as a prelude to 2018 financial and tax planning or estate planning.
- Start a conversation about how to align their financial investments with their mission. Talk about the ‘double bottom line’ approach to investing and how, if they have a family foundation, they can potentially accelerate the impact or the focus of their grantmaking.
- Suggest they revisit their estate plan, particularly in light of possible tax changes in 2018, and ensure there is clarity about intended charitable gifts. Among the things they should think about are:
 - Does their plan reflect how they would like to be remembered?
 - Is this the legacy they want to leave?
 - Is this still the amount they want to give?
 - Have their financial parameters and interests changed over the past year or so?
 - Are there clear terms and direction for successors and trustees regarding the administration and protection of their charitable legacy?
 - Do they have a Charitable Distribution Advisor™ who can help trustees and successors track and review and adjust their charitable gifts?
- If they have a private foundation, when was the last time they looked at the bylaws and governance and protocols for that foundation? Is the foundation operating as effectively as it good be? Is it still a satisfying experience for everyone?
- Have they considered accelerating their giving so that they could make a difference in real time?

- If the foundation was set up in perpetuity, is now a good time to consider a sunset?
- Is the foundation giving away only the mandatory 5%? Could this be increased to make more funds available for distribution?
- If they have a DAF, how long has it been since they made a gift from the DAF?
- Have they established a succession plan for their DAF? If so, have they shared their intent and interests with successors?
- Is it time to involve the next generation and integrate their passions? How will this be done? Do they want to create a DAF for each member of the next generation so that those individuals can control their own charitable giving independently? Are they up to date on tax and legal filings? Are their 990s in order?

Given possible changes in tax law and the way in which charitable gifts may be handled in 2018, suggest that clients revisit and review their charitable giving strategy.

- Should they consider making larger gifts in 2017 offsetting what they might have given in 2018?
- Is it time to do some due diligence to determine if the organizations they are giving to are still aligned with their original intent?
- Are there new opportunities that might offer even greater impact if they were to support them?
- Would they achieve greater impact in a few organizations by consolidating funding, rather than giving small amounts to a number of organizations?

Explore non-cash asset opportunities. Is there a charitable opportunity for land, art or securities that they may own? Are there tax advantages that should be considered?

- Is the client interested in issues outside the US? Help demystify international giving. Consider introducing clients to grantmaking intermediaries. Many of these focus on specific issues areas or geographic regions.
- Discuss aligning their financial investment portfolio with their charitable investment portfolio. Look at integrating SRI and ESG strategies that mirror their mission and have the potential to advance their interests more rapidly and more effectively.
- Talk to clients about how or if they are involving the next generations in their philanthropic planning. A few ways to initiate or deepen that conversation include:
- Creating a shared family experience with organizations that they each like, or wherein there is consensus around learning more about the organization. As a family, find a hands-on activity to do: plant trees, volunteer at a food pantry, collect and distribute clothing, etc. So many things can be done to support an organization beyond donating money.
- Don't relegate adult children to the proverbial kids table. In other words, encourage them lead the conversation around philanthropy, to bring their ideas and strategies to the table about how they can all find commonality in interests or values.
- Review financial investments together with a focus on what can be done to more successfully align the investment portfolio with the particular passions, interests or issues that each generation cares about.
- Consider introducing clients to a philanthropic professional to facilitate a review of their charitable gifts, help them develop a 2018 strategy, learn more about the various tools in the philanthropic toolbox and how to blend their philanthropy for maximum impact and to better understand integrating lifetime and legacy giving.

By focusing clients on the value proposition of more strategic charitable giving before the end of the year you are helping them to integrate their charitable interests into their financial, tax and legal planning and, at the same time, deepening your relationship with them.

About the author

Susan Winer is COO a founder of Strategic Philanthropy, a global philanthropic advisory firm headquartered in Chicago and working solely with high net worth and ultra-high net worth donors. Since 2000, the firm has been at the forefront of helping individuals, families, closely-held and family-owned businesses plan, assess, and manage their charitable giving.