



Getting Clients To Focus On Philanthropic Goals

Dune Thorne, 09.09.09, 06:40 PM EDT

Thinking strategically about philanthropy helps wealthy clients see the big picture and forge stronger bonds with their adviser.

Philanthropy has evolved from simply supporting your college alma mater and church to being a strategic way for clients to positively influence the world they and their children will live in. Through informal and formal structures, such as family foundations, donor-advised funds and giving circles, clients are becoming more highly engaged in philanthropy. As advisers, we can provide valuable insight and planning advice to help our clients become more strategic and focused in their philanthropy, and to help us forge deeper relationships that get at the heart of our clients' long term goals.

Guiding your clients to take a more strategic and focused approach to giving not only helps make your clients' contributions more meaningful, but it can also strengthen your client relationships and open a richer dialogue aimed at building a deeper understanding of their goals and values.

The following is a five-step checklist to help guide conversations with clients about their philanthropic efforts and to get them engaged in creating a plan to achieve their goals.

Define your vision and mission. Start this conversation with an open mind and a clean slate. Take this opportunity to really understand how your clients want to make the world a better place. What are their passions? What inspires them and makes them feel good at the end of the day? Defining specific goals and turning them into a written philanthropic vision and mission statement is what ultimately helps focus and drive strategic philanthropy. The organization Bolder Giving in Extraordinary Times has a workbook that includes a simple template for creating your philanthropic vision and mission statement (www.boldergiving.org).

Understand the right amount to give. Once your clients have defined their philanthropic mission statement, help them decide the right amount to give, both in time and in dollars. Also help them consider other resources they have to give in terms of time, professional skills and fundraising networks. For example, a recent client of mine donated her home as a space to host a major fundraising event, significantly lowering the event cost for the fundraiser. Joining a board of directors can also be a way to make a significant difference for an organization. If your clients are interested in serving on a board of directors, visit www.boardsource.org for resources related to nonprofit boards and how to engage and develop the next generation of board leaders.

Get the story behind the numbers: past, present and future. Make sure the recipients of your clients' generosity are strong and healthy organizations. This is a very challenging time for many

nonprofit organizations. Have your client request financials and other important information about the organization--and then follow up to see if he or she understands the story behind the numbers. This will also help your client build a stronger and deeper understanding of the organizations as well as build relationships with the staff. For example, after a client reviewed the financial statements of an organization he was supporting, he recognized that the organization was in danger of not making it through the year. He realized that he needed to significantly increase his giving to help the organization reach a point of financial stability or else his smaller gift would not be meaningful since the organization would likely need to shut down. This motivated him to personally lead a fundraising outreach to secure the needed funds to help the organization through this difficult time. Guidestar.org and charitynavigator.org are two Web sites that can help you evaluate a nonprofit's financial statements and make sound philanthropic decisions.

Use philanthropy as an opportunity to educate and communicate. Create a structure for your client to implement a giving plan. Does he or she want to involve a spouse and/or children in the decision-making process, and if so, how much? Philanthropy is a great vehicle to open a dialogue with the next generation. Many of my clients have set up donor-advised funds or family foundations to create specific charitable entities that their children can be involved in managing. This strategy helps pass on the family's philanthropic vehicles and also educates the children on investing and managing cash flows.

Leave room for change. Financial and philanthropic planning is not a one-step process; it is constantly evolving and changing. Continue the dialogue with your clients and leave room for their strategic philanthropic plan to evolve and change as their interests, values and financial life change. One of my clients has shifted her philanthropic strategy from a global mission to one more focused on her local community after seeing the effect of the recent economic downturn on so many local organizations she cared deeply about. It is likely her philanthropic goals will change again over the next few years. Continuing our dialogue and evolving her plan will be an important part of our work together.

We live in an incredibly charitable country where American households gave more than \$200 billion in 2008 to religious, nonprofit and other charitable organizations. Philanthropy is a deep-rooted part of our culture and is a tie that binds families and communities together.

Dune Thorne is a principal and client adviser at [Silver Bridge](#), where she works closely with families to manage their investments and to advise, educate and coach clients on achieving financial goals.