



New Topic








Post Reply

[my profile](#) | [register](#) | [search](#) | [faq](#) | [forum home](#)

[Previous](#) < > [Next](#)

>> Hello, Larry L. Van Oort [ [log out](#) ]

[Heritage Institute Bulletin Board](#) >> [General Board](#) >>  
[Talking to Advisors About Talking to Donors](#)

Author	Topic: Talking to Advisors About Talking to Donors
<b>Monica Estabrooke</b> Contributing Member Member # 60	 posted April 21, 2006 10:09 AM      
<a href="#">Rate Member</a>	<p>The following article was written by Kathryn Miree, a well known charitable estate attorney who also is an accomplished consultant on Board Governance as well as engaging advisors in the mission of charitable organizations. She gave me permission to reprint the article from April 2006.</p>
	<p>Talking to Advisors About Talking to Donors</p>
	<p>I have a theory. If every estate planning advisor in the country included charitable intent queries in estate planning interviews over the next year, the number of bequest commitments, charitable gift annuities, charitable remainder trusts, private foundations, and other philanthropic gifts could double. No, I don't have statistics to back that statement, nor can I project the size of the gift avalanche that would fall to charities. However, my conversations with advisors indicate most do not raise the questions and my conversations with donors indicate an interest if there were a way to integrate charitable gifts in personal planning.</p>
	<p>If we can agree advisors are the gatekeeper for charitable gifts, and if we understand advisors have more planning conversations with potential donors than charities, it stands to reason we all need to spend more time talking to advisors about talking to clients as if they were donors.</p>
	<p>The Advisor's Role</p>
	<p>The advisor is charged with a single goal in the estate planning process: to allocate the client's assets in a manner that legally and most effectively meets his priorities and objectives. First tier planning addresses immediate family priorities. . Second tier planning addresses related family members such are siblings, nieces, and nephews. Complications include business continuation, trust terms, and special needs.</p>

Given this process of spreading limited assets over so many clearly identified goals, the concept of giving money to charity has only negative context – it reduces available assets. In other words, these realities create practical barriers to the introduction of the charitable giving concept. These practical concerns are exacerbated by several personal barriers:

1. The advisor may assume raising the issue of charitable giving is somehow unethical or inappropriate.
2. The advisor may assume if the client has no charitable interest if he or she does not raise the issue.
3. The advisor may be uncomfortable introducing the idea.

Fortunately, there are solutions for all barriers, personal and practical.

#### Overcoming the Concern the Client Has No Interest in Charitable Giving

If the goal is to get advisors to commit to raising the issues of charitable giving with all clients, then charitable giving must be perceived as a broad client priority. Lead with the statistics to make the case.

- In 2004, Americans gave \$248 billion to charity. The majority of these funds – 84.6% - came directly from individuals as outright gifts or bequests.
- Bequests comprised \$19.8 billion of the 2004 totals – an amount that has grown dramatically over the last ten years, even as the estate tax incentives for giving were decreasing.
- According to a 2001 Independent Sector study, 89% of all households give to charity each year, making an average gift of \$1,620. The same study found 44 % of all American households do volunteer work for charities.
- Boston College Social Welfare Institute projects a transfer of wealth from the elder generation to baby boomers conservatively estimated at \$41 trillion. \$6 trillion of this transfer is expected to flow to charity.

These figures are compelling and transform charitable giving priorities from conjecture to reality.

#### Overcoming the Concern About a Conflict of Interest

The advisor rightly feels that he is not in a position to promote charitable giving as a personal agenda. The advisor cannot – and should not – advocate a specific charity to the clients he

serves without creating a conflict of interest that violates most professional codes of ethics. However, there is no conflict of interest if the client is asked if he would like to include charitable gifts in his estate or financial plan. Indeed, if charitable giving is such a national priority, the advisor is not fully exploring all options unless the question is raised.

#### Overcoming the "How To" Objection by Providing Easy Tools

The "how to" ask question is easily overcome with three basic questions that can be included on the intake questionnaire or in the initial client interview:

1. Are there charitable organizations that you support on an annual basis? If the answer is "no", then obviously there is no need to go further. If the answer is "yes", it is an opportunity to ask the donor to identify those charities receiving annual gifts, and to rank them in the order of priority.
2. Would you like to include any of these organizations in your estate or financial plan? For those that answer "yes" to question 1, this is an obvious follow up. Clients often overlook charitable goals in the emphasis that is given to family planning issues. When prompted, the answer is generally: "I'd like to include charity – if I can afford it."
3. If there were a way to shift dollars from taxes to charity, would you be interested in exploring this option? A focus on maximizing available dollars is the natural next step. This exploration reveals the strength of the gift planning process. The real key here is to combine personal objectives with charitable objectives so that both are achieved – and in the process, dollars are allocated in the most effective manner.

#### Overcome the Practical Objections by Sharing Ideas About Integrating Charitable and Personal Planning

To provide context for charitable planning, urge the planner to consider using charitable gifts to address common planning issues where the client has expressed a commitment to charitable goals. For example:

- The client needs more income in retirement. Americans are living longer, and with longer life spans come concerns about sufficient income in retirement. Charitable gift annuities provide a significant gift to charity at the same time they generate a tax-favored income stream at higher rates than certificates of deposit or standard fixed income instruments. Why not accelerate a planned bequest by converting the testamentary

intent into a current charitable gift annuity?

- The client wants to provide support for elderly parents who need funds, or provide for a child with disabilities. Rather than a transfer of assets to parents that may be subject to creditors, create a charitable gift annuity that generates a supplemental revenue stream and is creditor-proof. Or, create a charitable remainder trust for a child with disabilities and give the trustee the power to distribute the annual distribution for special needs purposes.

- The client wants to minimize tax and maximize the assets passed to heirs. One of the simplest ways to accomplish this goal is by using Income in Respect of a Decedent (IRD)-property to fund charitable gifts. For example, rather than naming heirs as the beneficiary of an IRA and leaving estate residua property to charity, name the charity as the beneficiary of the IRA and leave estate property to heirs. This allows the client to transfer assets to heirs without the built-in income liability and to avoid the income and estate tax liability on the IRA gift to charity.

These simple charitable planning options reinforce the ease with which charitable gifts can be incorporated in an estate plan to both meet the client's personal planning goals and provide a cost-effective way to meet charitable objectives.

#### Getting the Word Out

What is the gift planning advocate's role in the process of educating the professional community? Here's what a gift-planning advocate can do to promote more charitable giving through advisors.

- Participate in the community LEAVE A LEGACY™ program and encourage professional firms to engage as participants. This provides a formal platform for communication and engagement between for profit and not for profit staff.

- Encourage advisors to join the local and national planned giving council. This is a cost-effective way to keep abreast of legislative developments, tax developments, and network on a larger scale through GIFT-PL.

- Ask every advisor to raise the issue of charitable intent in the planning process. Make the request through your advisor newsletter, on your website resource page for advisors, and as a part of every educational seminar for advisors. If you meet skeptics, encourage them to take a trial run in which they raise the questions and keep track of responses.

- Encourage advisors to discuss a gift's intended goal with clients who express a gift interest. Explore the donor's vision and the impact to be achieved. The conversation will help the advisor and client create a gift that meets those goals and may encourage communication of gift intent with the charitable beneficiary.
- Encourage advisors to seek permission from the client to contact the charity about the proposed gift. Once the gift concept is fully formed, encourage the advisor to seek permission to contact the charity to ensure the plans are workable and the gift is in keeping with the charity's mission. The contact with the charity need not reveal the donor's name if the donor wishes to remain anonymous.
- Ask advisors to encourage clients to share their plans with the charity. Once the gift is complete, ask advisors to encourage clients to share the planned gift with the charity. This has two benefits. First, the charity can incorporate the intended gift in its long-term plans. Second, the donor can be recognized during his or her lifetime for the intended gift. Often, advisors assume the donor wishes to remain anonymous and do not raise the question.
- Engage the donor's advisor in the gift planning process as early as possible. There's no better way to unfold the magic of gift planning than to allow the advisor to participate in the process. Begin by suggesting to the donor the advisor should be at the planning table, and then work with the donor to assemble the appropriate gift planning team.
- Make it easy to get quick answers or find charitable planning resources. Encourage advisors to call you – or your colleagues – if they need help in answering questions. Networking is the fastest way to open doors and generate ideas.
- Provide access to charitable planning resources. Post a research page with links on your charity's website, or put together a group to develop a resource page for your planned giving council.
- Share charitable developments, interesting rulings, new idea, or planning ideas appropriate for the advisors clients through e-mail or letter. This will position you as a resource, and perhaps plant an idea that takes form with a future client.

As gift planners, we hold the key to unleashing new, larger, and well-planned gifts in our communities by engaging advisors in the process. To do this successfully, we must first understand the advisor's role and then must provide insights about ways in which gift planning can expand and improve the planning

process. If my theory is correct, the results could be staggering.

Posts: **7** | From: **Washington D.C.** | Registered: **Jan 2005** | IP: [Logged](#)

All times are Pacific Time

[New Topic](#) [Post Reply](#) [!\[\]\(d353285eb9a4d176ee78b662fa29cb42\_img.jpg\) Close Topic](#) [!\[\]\(e5e4ed11b5418bbc3931e5d0c2c8031c\_img.jpg\) Move Topic](#) [!\[\]\(a775cc7674cd110b159cc5ec24961f6c\_img.jpg\) Delete Topic](#) [Previous](#) [Next](#)

**Hop To:**

General Board

Go

[Contact Us](#) | [Heritage Website](#) | [Privacy Statement](#)

Powered by  **INFOPOP** ©2001  
Ultimate Bulletin Board 6.04d