



THE COLUMBUS FOUNDATION
The Center for Charitable Giving®



Family Philanthropy: *A Guide for Professional Advisors*



Family Philanthropy: A Guide for Professional Advisors

Charitable giving offers a unique opportunity to create a personal legacy as well as a legacy for the community. Engaging in charitable giving as a family unit can enhance this experience for many. By making this contribution as a family, an extraordinary opportunity arises—to give together, to learn about community issues together, and to solve community problems together. As a professional advisor, you have a role in raising this issue and sharing this option with your clients and their loved ones.

The Columbus Foundation recognizes that creating and supporting family philanthropy is a wonderful challenge that requires a different conversation than a professional advisor traditionally has with a charitably inclined client. For more than 60 years, we have worked with families and their professional advisors to define their charitable goals. We have developed this guide to support your efforts in discussing and introducing the topic of family philanthropy with your clients. The following pages are designed to help you take the first steps.

We hope you find this guide to be a useful and practical tool. We encourage you to contact us and to request all of our in-depth resources on family philanthropy.

This publication reflects insight from The Philanthropic Initiative, Inc. (TPI), experts in family philanthropy. Located in Boston, Massachusetts, TPI specializes in helping families increase the impact of charitable giving.

Introduction: The Critical Role of Advisors

As an attorney, accountant, or financial advisor, you are instrumental in helping your clients determine the role that philanthropy will play in their community and in their lives. With some of your clients, this conversation may come easily, as part of the business and estate planning process. With others, you must initiate discussions about philanthropy and how to realize the desire to give back. We believe that the discussions about charitable goals, family traditions, and philanthropic interests can occur simultaneously with discussions about vehicles for giving, wealth transfer, and tax reduction techniques.

The Importance of Philanthropy

Philanthropy, defined as love of humankind, is an act of voluntarily giving and sharing with others to enrich lives, solve problems, and perpetuate the values of society and of the person making the gift. Philanthropy is fundamentally an expression of values; there's no formula that's right for everyone. It can be exemplified by supporting a house of worship, an alma mater, or a community cause. It can also be practiced by learning about community issues and volunteering at a charity that you care about.

What Is Family Philanthropy?

Family philanthropists are motivated to give something back—to make a positive difference in their communities. What makes family philanthropy unique, however, is that the family philanthropist commits to working with family members to make this difference. At its heart, family philanthropy reflects the interests and passions of the family members involved. It involves inviting and preparing children and other family members to share in charitable interests. It also includes learning about charitable opportunities and community issues together. Family philanthropy is essentially a group process. It implies a commitment by family members to work together to make decisions.

Why Do Your Clients Want to Involve Their Families?

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While philanthropy is a very personal experience, many have found that involving family members in charitable giving provides an opportunity to initiate new conversations between parents and children, aunts and uncles, and grandparents and grandchildren. It encourages a family to collaborate, solve problems, and learn about critical social issues. It's a chance to establish and strengthen a family legacy of caring, deepen family connections, and talk about what you care about as a family, all in an effort to make a significant difference.

Families have discovered a variety of rewards working together on their charitable giving. These include:

- Celebrating the success of the family and the values that made it possible, such as generosity, compassion, and gratitude;
- Creating a means for “giving back” and improving the quality of life in one’s community;
- Developing a deepened connection to each other through shared purpose on important community issues;
- Creating a vehicle that can keep family members interacting within and across generations;
- Developing a forum to nurture charitable giving and reinforce positive values in future generations;
- Providing an alternative business succession planning strategy (for family business owners).

Raising the Family Philanthropy Discussion with Your Clients

How do you, as the advisor, open the door for a meaningful discussion about charitable giving, specifically family philanthropy, with your client? To help clients explore their philanthropic options and interests, ask them to express their thoughts about their values and aspirations. While no two clients will respond to questions in the same way, we've provided a few ideas below to help stimulate the conversation.

- Do you have an interest in charitable giving? Involving your family?
- Are you currently involved with any charitable organizations? Would you like to continue your support through your estate plan?
- What are your values? Have you discussed them with your family? Do you wish to pass them on? Is philanthropy an appropriate vehicle for doing so?
- Do you give regularly to any organizations? Have any of your gifts been particularly fulfilling or gratifying? What holds you back from doing more?

*Is philanthropy too personal to discuss?
We contend that the answer is no.*

Remember that as an advisor you have already been entrusted with intensely personal information—the subject of values and philanthropy are no more sensitive. By leading with the above questions you can begin the process of outlining your client's thoughts and passions into meaningful philanthropic action.

You may be venturing into an unfamiliar area. The Columbus Foundation staff has the knowledge, experience, and expertise to assist you and your clients as you begin the family philanthropy process.

Additional Questions: Focusing Inward

The previous questions are examples that are intended to provide context to your clients. Other questions you may wish to ask might focus on specific issues, such as financial needs and the role of particular family members. We have provided a series of questions you may suggest that your clients consider.

How Much is Enough?

- If your financial resources were unlimited, how would you spend your time and what would you do with your excess financial resources?
- Do you have a sense of how much money you will need to feel financially secure?
- Do you have a sense of how much you will want to provide for your children? Do you have any concerns about your children and money?
- Are there any community issues you really care about?
- Do you have a sense of obligation to any institutions, organizations, or causes?
- Do you give regularly to any organizations? Have any of your gifts been particularly fulfilling or gratifying?
- Is there something about the world that you would like to see changed?

What Do You Care About?

- Are you interested in supporting organizations or causes while you are alive, or do you want to do so only after your death?
- If taxes were not an issue, how would you apportion your wealth?
- What do you read about in the paper that makes you angry?
- What issues and causes are you passionate and excited about?

Additional Questions: Focusing Inward Continued

How Do You See Yourself and Your Family?

- When you were younger, what did you dream of doing? Have you done it? Can it still be done? Do you have other unfulfilled wishes about doing something that you have yet to do?
- Do you have a vision of your philanthropy and what it can achieve?
- Do you want family members, friends, or future generations to continue your giving legacy?
- Do you participate in any religious or civic group that is important to you?
- With whom do you identify? Who are your heroes?
- Are there skills that you would like to continue to use after you retire? Are there new skills that you would like to learn or develop further?

What Does Your Family Stand For?

- What are your values? Have you discussed them with your family? Do you wish to pass them on? Is philanthropy an appropriate vehicle for doing so?
- Do you, your spouse, or children volunteer on a regular basis? What organizations do you work

with or for? Do you sit on the board of any organization?

- Are you excited about what you can achieve for you, your heirs, and charity with proper planning?
- Do you want to involve your family (or friends) in your giving?

Will You Be Strategic?

- Do you have a vision of your philanthropy and what it can achieve?
- Do you want family members, friends, or future generations to continue your giving legacy?
- As part of this planning process, would you consider developing a family mission statement or a plan for your charitable enterprise?
- Do you prefer to address symptoms or causes in your giving?
- Is it important that you exercise some control over organizations to which you give?
- Are you comfortable just writing checks, or do you want to be more proactive and involved?

Moving Toward an End Result

Answers to such questions help you, the advisor, begin to develop a plan that best reflects your client's life experiences, values, goals, and passions. The answers will also help frame the issues and reveal what other resources you may need. At a minimum, using questions of this nature will enrich your conversation with your charitably inclined clients and help you:

- Ascertain the priority the client gives to philanthropy;
- Assist you, the advisor, in gathering information and resources that will support your clients' philanthropic interests;
- Bring into sharper focus the role giving plays and could play for the client; and
- Assess the value of philanthropy to the family and, especially, to intergenerational dynamics.

Additional Resources for Advisors

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For additional resources to help you make philanthropy part of your practice, please visit the Professional Advisors section of The Columbus Foundation's website, www.columbusfoundation.org. You will find tools to get started, including a link to free online gift planning tools, downloadable forms containing suggested language for bequests and other documents, and other helpful publications and web links.

The Foundation has also developed a step-by-step guide describing the process of developing family philanthropy, *A Family Tradition*. This workbook includes several different handouts and exercises to assist your clients to think through the issues and create a process that is unique for them.

Please feel free to call the Donor Services and Development staff at 614/251-4000 for more information.

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The mission of The Columbus Foundation is to assist donors and others in strengthening and improving our community for the benefit of all of its citizens.