

Listening for charitable opportunities

A professional resource from the Acorn Foundation



The role of the Professional Advisor

The professional advisor plays a singularly important role in helping the client create and realise a personal philanthropic vision.

Helping a client realise a philanthropic vision provides an opportunity for professional advisors to do what they do best – identify creative solutions that help their clients solve problems and achieve specific objectives.

Some advisors are reluctant to begin a conversation with their client, and may be concerned about appearing to make a values judgement, especially if the client has not expressed charitable intentions.

However, by not broaching the subject of charitable giving, a significant opportunity may be lost for your client and the community. In fact, many individuals expect their professional advisors to bring up the subject if appropriate and assume charitable giving is not an option if the subject is not raised. Research indicates that about 7% of people leave money to charity in their will. However, that figure rises to 27% if the issue is raised while drawing up a will or a financial plan.

Why raise charitable giving at all?

Your clients are increasing their knowledge about options and expecting you, their advisor, to help them create innovative, comprehensive financial plans that take care of their families and friends, minimise taxes and reflect their values. Confronted with the task of transferring assets from one generation to another, people are increasingly choosing to integrate charitable giving into their planning to realise personal as well as financial benefits.

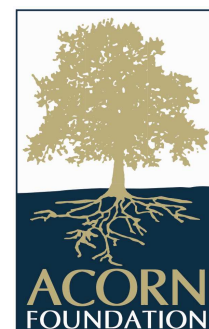
- Charitable giving can generate **significant tax benefits** – your client may not be aware of this opportunity.
- The ability to provide for a charitable gift often produces a **deep sense of fulfilment and satisfaction** – your client may be very grateful to you for not only asking the “giving question”, but also helping him/her to satisfy that philanthropic desire.
- Your client may never have mentioned an interest in charitable giving – perhaps due to a disappointing experience or to **lack of information** about the range and scope of opportunity. You can offer your client an opportunity to become informed without any obligation.
- Your client may think that his/her resources are not sufficient to consider charitable giving. You can show your client a variety of **creative ways to make a gift** that is compatible with his/her personal and financial circumstances.
- It’s **good** for society, it’s good for your clients, it’s good for your business, and it’s good for you.
- You’d be surprised how many of your clients are **searching for a way to give back** to society, to remember a loved one, or simply to do good.
- **You live/work in this community too.** This is an opportunity not only to serve your client, but also to help your community thrive.

Regardless of their comfort level in raising the issue, some advisors have found ways to effectively incorporate philanthropy into their practice.

Planning charitable giving

Many clients want their professional advisors to help them plan charitable giving. The Acorn Foundation can work with you to answer these questions and help each client fulfil their charitable goals.

- What are your client’s personal motivations for charitable giving?
- What are your client’s charitable interests in the community?
- What level of involvement does your client want to have in identifying charitable uses for their gift?
- What type of giving instrument best fits your client’s financial situation and tax status?



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Following are some typical scenarios:

Year-end tax planning

Your client just earned a large bonus or received an inheritance and wants to give a portion back to the community, but has no time to decide on the most deserving charities. Recommend establishing a fund through the Acorn Foundation for an immediate tax deduction, and the ability to tailor and coordinate their giving to maximise results and minimise administrative headaches. Your client can then work together with the Acorn Foundation to determine the charitable organisations that they would like their annual distributions to go to.

A gift in their will

Your client wants to leave the bulk of their estate to family and some favourite causes. The Acorn Foundation can help you and your client evaluate how best to do this.

Establishing a charitable trust

Your client is thinking about establishing a charitable trust, but is looking for a simpler, more cost-efficient alternative. The Acorn Foundation can help you and your client analyze the pros and cons of creating a named fund of their own or a charitable trust.

Strategic giving

Your client is passionate about helping meet a specific community need and wants to make a meaningful gift. You and your client can work with our grant making experts to explore community needs and programs and then direct gift dollars to make the greatest impact.

Marking a milestone

Whether your client is celebrating a personal milestone (such as a significant birthday) or marking the passing of a loved one, naming a fund at the Acorn Foundation can be a fitting way to remember a particular person or time in your life.

Superannuation

If superannuation payments aren't needed to maintain your client's lifestyle, they could claim a tax credit by regularly donating their payments to an endowment fund with the Acorn Foundation.

The best prospects for significant charitable gifts

Research shows that the following types of individuals represent the best prospects for significant charitable gifts:

Age 70 and older

- Have provided for their families
- Have not outlived resources
- Have continued to support charity

Age 60 and over

- Already retired or about to retire
- Diminished family responsibilities
- Demonstrate a philanthropic intent

By family category

- Unmarried with no close family ties
- Married couples with no children
- Married couples with financially successful children

By circumstances

- Recently sold or about to sell a business
- Recently came into or about to come into an inheritance
- Recognising the loss of a family member

How to start the discussion

One of the simplest and most important things you can do to help your clients enjoy the benefits of charitable giving is to ask them the giving question:

"Are there any charitable or community needs you would like to consider?"

If your clients are interested in including philanthropy in their plans but are unclear about a particular cause, you might ask them what values, activities and organisations contributed to their success.

For Dean Wearne (Lellman Wearne Curragh Ltd) it all started with tax returns. "I saw what people were—and weren't—giving and I asked them about it." An inaugural trustee on the Acorn Foundation, he also discovered some of his clients were dissatisfied with their giving. "It was fragmented and unfocused and left them feeling empty. That's when I knew they needed help." Dean and others have practical advice for anyone interested in broaching the subject with their clients.

Sell yourself

Before he could reach out to his clients, Dean needed to invest time and effort developing his own buy-in. "If you haven't sold yourself on the importance of philanthropy, good luck trying to engage others. To do this takes an investment of time up front."

Build a team

You don't have to be an expert in philanthropy to meet your client's charitable needs—all you need is the right team and the right resources. Glenn Keaney (KPMG) says, "None of us has time to do this alone. You need someone who can talk about the community. People who work with charities, who have different skill sets than you do."

Acorn can help

The Acorn Foundation can help your clients achieve their charitable goals. We welcome the opportunity to work with you.

Luke Stewart (Holland Beckett) says, "Feedback from our clients show that the follow up by Acorn is prompt and professional, which is important. It gives us confidence in the knowledge that our clients are well looked after by the team at Acorn."

There's so much more we'd like you to know. Contact us on (07) 579 9839 or www.acornfoundation.org.nz