

Listening for charitable opportunities

A professional resource from the Geysler Community Foundation



The role of the Professional Adviser

The professional adviser 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 advisers to do what they do best – identify creative solutions which help their clients solve problems and achieve specific objectives.

Some advisers are reluctant to begin a conversation with their client and may be concerned about appearing to make a value 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 advisers 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 seven percent of people leave money to charity in their will. However, that figure rises to 27 percent 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 adviser, to help them create innovative, comprehensive financial plans which 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** which are compatible with his/her personal and financial circumstances.
- It's **good** for community, 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 and work in this community, too.** This is an opportunity not only to serve your client but also to help your community thrive.

Many advisers have found ways to effectively incorporate philanthropy into their practice.

Planning charitable giving

Many clients want their professional advisers to help them plan charitable giving. The Geysler Community Foundation can work with you to answer these questions and help each client fulfil his/her 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?

Listening for charitable opportunities

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 Geyser Community 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 with the Geyser Community Foundation to determine the charity or charitable organisations 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 Geyser Community 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-effective alternative. The Geyser Community Foundation can help you and your client analyse the pros and cons of creating a Named Endowment 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 programmes, and then direct their gift to where it will have 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, establishing a Named Endowment Fund with the Geyser Community Foundation can be a fitting way to remember a particular person or time in his/her life.

Superannuation

If superannuation payments aren't needed to maintain your client's lifestyle, he/she could claim a tax credit by regularly donating his/her payments to a Named Endowment Fund with the Geyser Community Foundation.

Those most likely to give significant charitable gifts

Research shows that the following types of individuals represent the most likely to give significant charitable gifts:

Age 70+

- Have provided for their families
- Have more than adequate remaining assets
- Have continued to support charity

Age 60+

- Already retired or about to retire

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.

Paul Sandford of Sandford & Partners Rotorua, believes professional advisers undertaking estate planning should always consider philanthropic donations as a requisite part of their advice to clients.

"I recommend the Geyser Community Foundation to clients as the vehicle for philanthropy because of the integrity of the Foundation's trustees and staff, and because of the flexibility Geyser provides coupled with its permanence. It is literally forever. In addition, Geyser has extremely low administration costs and these costs are clearly spelt out. There are no hidden pitfalls. It is the ideal vehicle for philanthropic giving."

When preparing clients' wills, Michael and Dineen Grantham of Grantham Law Taupo, routinely ask clients if they have considered philanthropic giving.

"We believe clients deserve to know that they can support organisations close to their hearts, forever. We have no hesitation recommending the Geyser Community Foundation as the vehicle for people from all walks of life and any means to give back to their local community. Geyser is perfect for this purpose as its objectives and structure are designed to support the local community in a sustainable manner. Local and sustainable are two important attributes of the Foundation."

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.

Geyser can help

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

There's so much more we'd like you to know. Contact us on (07) 349 7496 or visit www.geysercf.org.nz