

Optimize Charitable Giving

Helping clients find the perfect fit

What motivates people to give their hard-earned, carefully saved dollars?

The inspiration may stem from a sense of gratitude or the influence of family or friends. It may arise from deeply held values or ideals, or more pragmatic financial objectives.

The reasons for giving are varied, as are the things people hope to achieve. Some believe giving is a choice, others see it as a moral imperative. Some give gifts in a spirit of reciprocity, others give expecting nothing in return. Some are concerned with maximizing tax benefits, others want to optimize social change.

To accomplish such divergent goals, people may give through their church, alma mater, hospital... social events or special campaigns... nonprofit organizations, charitable funds or foundations. They may give to alleviate immediate needs or foster long-term improvement. Some choose to construct new buildings, others to support human services. Some seek recognition, others are looking only for results.

Fortunately, there are as many ways to give as there are motivations for giving. Raising the charitable giving questions is not always easy, but it is an important part of providing complete professional advice to your clients. The following questions may help you raise the subject of charitable giving with your clients.

Talking to Clients About Charitable Giving

- Do you have charitable organizations that you might consider contributing to now or in the future?
- Would you like to benefit any charitable organizations or causes while you are alive, or do you want to do so only after death.
- Would you be interested in exploring ways to support our community or causes you care about, if you could still leave a substantial amount of your estate to your children?
- If you could redirect dollars that would otherwise go to pay income or estate taxes to invest in charitable causes of your choosing, would this interest you?
- If someone with expertise in this area could help you identify charities that are worthy of support, would you be interested in exploring some charitable planning ideas?



Recommending the best option

As a professional advisor, you can help your clients select a giving option that aligns with their personal motivations, philanthropic objectives and financial goals.

Over the past decade, the trend in lifetime giving has been the establishment of Donor Advised Funds. They offer immediate tax deductions and ongoing involvement in making charitable recommendations. While some donors may be attracted to the prestige of a private foundation, many value the full service support of a community foundation Donor Advised Fund.

However, a client's needs may change during different stages of his/her life. A family may want to direct most of its charitable giving to organizations they know, while an aging widow may be interested in establishing an endowment targeting a special area of social change. Retirees may want to give and volunteer, while a working professional might want to invest for the greatest impact.

The art of gift planning through Richland County Foundation

Like matchmakers of old, professional advisors are called upon to listen closely, interpret carefully, and counsel wisely... always hoping to recommend a solution that will be the perfect fit. The profiles below show how different charitable solutions may suit the unique circumstances of individual donors.

Donor Profiles	Personal Motivation	Philanthropic Objective	Financial Goal	Charitable Interest	Giving Solution
Faithful servant	give back to God	fulfill obligation to support temple, church or faith organization	maximize this year's deduction	support faith community operations and missions	Designated Fund in name of faith-based organization
Loyal patron	give back to the organizations that have contributed to my well-being and success	support alma mater and favorite charities	avoid capital gains, maximize this year's deduction	help at-risk youth	Scholarship for deserving local youth
Grateful trader	show appreciation for financial success and be recognized for generosity	give back to community that has supported my business	avoid capital gains, create permanent legacy	support the future of my community	endowed Donor Advised Fund
Social giver	socialize with friends and peers at charity auctions, events and galas	support favorite charities	avoid capital gains, create lifetime income	provide operating support to local hospital, hospice, art museum and symphony	some direct gifts plus charitable gift annuity that becomes a named Unrestricted Fund
Family philanthropist	extend family legacy of giving to next generation	support causes important to family's traditions and values	avoid capital gains, maximize this year's deduction	variety of deserving causes	Supporting Organization or Donor Advised Fund
Selfless benefactor	improve the lives of others because it's a moral imperative	support causes that align with personal goals and values	maximize the value of my gift	support food pantries and family centers in impoverished neighborhoods	Field of Interest Fund
Prudent investor	contribute to common good because it makes sense socially and financially	support the causes that do the most good through endowment	maximize the impact of my gift	increase opportunities for residents of my community	Unrestricted Fund