

Talking to your clients about philanthropic giving

+ THE IMPORTANCE OF TALKING TO YOUR CLIENTS ABOUT PHILANTHROPY

With the unprecedented intergenerational wealth transfer starting to take place, the philanthropic conversation is hugely relevant. New Zealanders have a longstanding reputation as being one of the most generous countries in the world, and so it's not surprising that a good portion of this wealth transfer will be directed towards giving back.

Professional Advisors are in a trusted position to provide comprehensive advice on wealth planning, tax benefit and investment solutions to meet each client's unique set of circumstances. You're also in a unique position to introduce philanthropy into your client relationship.

Discussing philanthropy can add significant value to your client relationships.

1. Including philanthropy as part of your clients' planning is seen as having a more holistic strategic approach. Your knowledge of philanthropy can also be a significant point of difference in your advisory role.
2. Your client relationships are strengthened beyond the technical details of tax advice and estate planning. It provides an opportunity to connect with their core aspirations and values, and over time, with their family (and beneficiaries).
3. An open discussion can provide insight into your clients' charitable values, opening up opportunities for business.

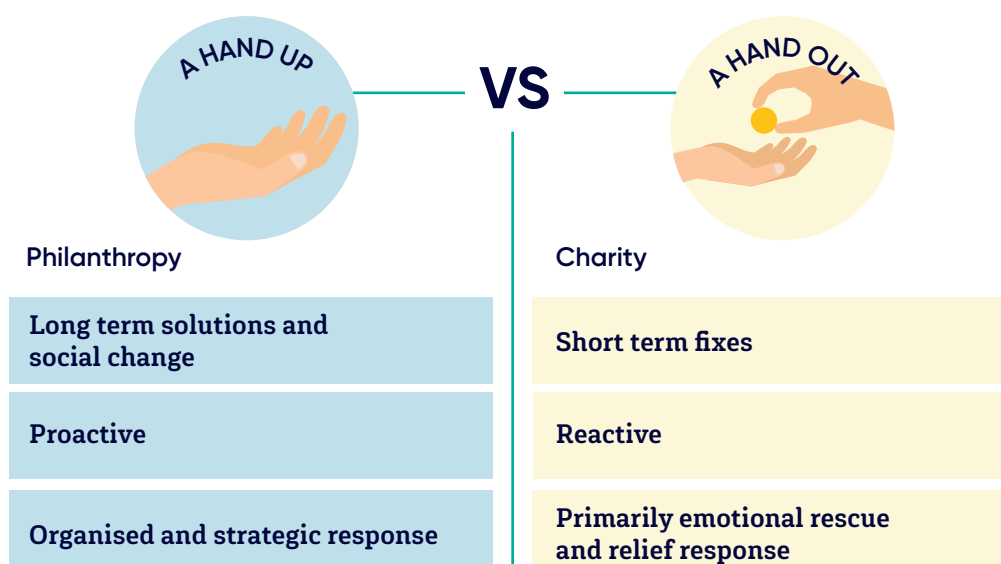


Knowing the difference in types of giving can be a real 'eye opener' for clients. Most are delighted to discover more strategic ways beyond traditional charitable giving.



Bill Holland, Law Partner, Tauranga

+ PHILANTHROPY VS CHARITY



"Charity in its basic form is giving a person a fish, whereas philanthropy is teaching the person how to fish."

Adapted by Author
Anne Isabella Ritchie

+ MOTIVATIONS BEHIND PHILANTHROPY

Philanthropic giving can be a warm client conversation about:

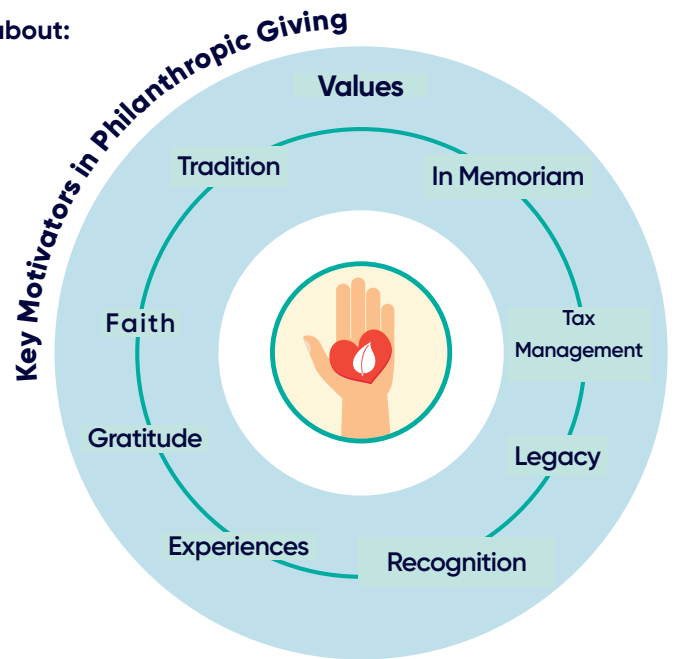
- *Community impact*
- *A desire to give back*
- *A passion for a cause*
- *A reassurance that their wealth will be used wisely*



High net worth individuals are often motivated by their desire to impact the community and their passion for a cause.



Liz Koh, Financial Advisor



+ THE PHILANTHROPIC CONVERSATION

There are key events where a Professional Advisor has the opportunity for a client conversation about giving. Look out for a real interest in a cause or signs in your discussions around:

- *Retirement*
- *Estate planning*
- *Selling a business*
- *Sale of appreciated/specific assets*
- *Year-end tax planning*
- *Inheritance*
- *Major life event*
- *Good fortune*

Talk to your clients about their wishes

Encourage your clients to think about their plans for their accumulated wealth or change in personal circumstance; for instance, do they wish:

1. to spend it themselves;
2. to leave it to beneficiaries in their Will (family, or close friends if there is no family);
3. and/or leave it to charity or a cause that they care about?

And if they are interested in a charity or cause, ask:

- i. What causes do they care about most?
- ii. What are they most passionate about?
- iii. Do they volunteer their time for a cause?

DID YOU KNOW?

Research from both the US and Canada shows many high net worth Individuals want and would value the advice of their Professional Advisor in helping them reach their philanthropic aspirations.

These conversations are seldom taking place.

Source: The Philanthropic Conversation: Understanding Financial Advisors' Approaches and High Net Worth Individuals' Perspectives 2014

The key is to gain a richer understanding of their values, their interests, and what motivates them to give. Take the time to listen to their story - you might be surprised what emerges.