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— The Advisor Viewpoint: Exploring Charitable Giving Options —

Know When the Time is Right

Conversations with clients about giving sometimes focus on the "best" way to make gifts. Should a gift be made during my lifetime, or at death? Should I give from my current cash flow or from my assets? If I donate some assets, which assets should be donated?

While these questions are familiar to professional advisors, clients are also voicing more concerns about their financial ability to initiate, or even continue implementing charitable-gift strategies. The rollercoaster economic climate has severely shaken overall investor confidence and this is directly influencing people's willingness and assurance that the time is right to consider charitable gifts.

Clients are looking to their advisors for confirmation that the path they choose is the right one for their personal situation. As a financial advisor, the approach I take analyzing charitable goals for clients is the same method used to assess their other financial planning goals — and it is ideally suited to building confidence with respect to charitable giving.

The goal of personal financial planning is to provide clients with a "probability of success" in meeting financial goals. It's certainly not an exact science since there are numerous moving parts that can change the outcome of events. But it is systematic, with an end result that hopefully provides a greater level of confidence in mapping financial strategies.

If it appears that a client is likely to have sufficient resources and income to meet his or her desired financial goals — a secure retirement, adequate resources in the event of long-term care expenses, or assets available to pass to their children or grandchildren — then exploring options for giving can begin.

Answering the question "Can I afford to make a charitable gift?" is critical if a client is going to plan how to make a gift.

Through the planning process, professional advisors are fortunate to be able to gather much of the preliminary criteria needed to determine the most appropriate charitable option. In fact, a 2000 study of donors by the National Committee on Planned Giving found that financial and legal advisors provided the impetus in 29 percent of cases for charitable bequests and 68 percent for charitable remainder trusts.

Financial professionals know that they don't need to become experts in all charitable giving options. The Community Foundation works with them to educate and help design the charitable "plan" that best meets clients' goals. These resources include meetings with clients and Foundation staff to discuss giving strategies, charitable vehicles that clients can easily implement and administer, and a long history of support in our region.

If the last few years have taught us anything, it's that clients still have financial goals they want to achieve. In some cases, their charitable goals have become more important as they see the needs in the community escalate. Professional advisors, in partnership with the Community Foundation, can help restore clients' confidence and get them back on the path of satisfying their charitable-giving goals.