

Philanthropic Advisor

*A Guide to Charitable Giving
for Professional Advisors*

The Boston Foundation 



Advisor Insights

Survey Finds That Clients Want a Meaningful Conversation about Philanthropy

Wealthy people want to talk about philanthropy with their advisors, and 90 percent would like that conversation to happen within the first few meetings, according to a revealing new study by U.S. Trust/Bank of America and The Philanthropic Initiative (TPI), an operating unit of the Boston Foundation.

Yet almost half of the high-net-worth (HNW) individuals surveyed said they had never discussed charitable giving with their advisors. Among those who had, only 41 percent were fully satisfied with those conversations.

That may be because advisors tend to focus on technical issues like tax avoidance rather than their clients' philanthropic goals, according to the survey of 300 financial, legal, wealth and tax advisors and 120 HNW (more than \$3 million in investable assets) individuals released last month.

"These conversations about philanthropy are falling short of their potential," said Jamie Jaffee, Managing Partner at TPI, which offers philanthropic consulting services to individuals, families, foundations and corporations locally and globally. "This should be a wake-up call. If advisors address the disconnects between their approach and what the clients really want to talk about, they can create discussions that result in greater positive impact for their business, their clients' lives and society at large."

What motivates donors?

Beth C. Gamel, a managing director of Argent Wealth Management in Waltham, says she was surprised to learn from the survey that advisors are drastically overestimating the importance of tax benefits as a motivation for charitable giving. Instead, the three top drivers for the HNW individuals interviewed were: being passionate about a cause, having a strong desire to



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give back and having a positive impact on society and the world. Only 10 percent cited tax benefits as a top motivation for giving, while 46 percent of advisors believed tax avoidance was just as powerful of a motivator as the desire to give back or have a positive impact.

“If this is really true, then advisors who currently lead with the tax reasons for giving should change to a values-based approach,” says Ms. Gamel, a financial advisor to HNW individuals and a former member of the Boston Foundation’s Professional Advisors Committee. The Boston Foundation works closely with professional advisors to help them meet the philanthropic needs of their clients.

“The takeaway from the survey for advisors,” says Alison I. Glover, an estate-planning attorney at Mintz Levin, “is that our clients want to talk about the ‘soft’ components of giving. This should give us the encouragement we need to take a deeper dive into the topic, to ask them not just whether they are giving (and how much) but what they could be doing to make their giving more impactful.”

Philanthropy conversations are good for business


Three out of four advisors surveyed said that discussing philanthropy with their clients was good for business, as the conversations allow them to present a more holistic approach to wealth management and to know more about their clients. And 40 percent of the HNW individuals reported that the discussions have deepened their relationships with their advisors, with one in three saying they would be more likely to select an advisor who is knowledgeable about philanthropy.

“We’re all trying to build relationships that last a long time,” says Ms. Gamel. “The best way to serve clients well is to understand who they are as people. I find that the conversations about philanthropy are quite revelatory. Maybe they are giving because they have a seriously ill child or they were poor growing up. Those are the sorts of things that can take you years to learn, and yet they will reveal that information to you in a conversation about philanthropy. You find out what their real passions are, what the real drivers are in their lives.”

Advisors want to know more

Not all advisors feel they know as much about helping their clients with philanthropy as they’d like. Advisors can build their capacity by consulting with the Boston Foundation or TPI.

“Even without a tremendous amount of philanthropic expertise,” says Laura T. Godine, the Foundation’s Senior Director of Professional Advisor Relations, “advisors can benefit by simply opening the conversation in a way that engages their clients—and then working with us at the Boston Foundation or, if they need in-depth consulting services, TPI, which can take them further.”

For more information, please contact Jamie Jaffee at jjaffee@tpi.org or 617-338-5892. The study is online at tpi.org. 

How the Boston Foundation Works with Advisors

The Boston Foundation works closely with financial, wealth, legal and philanthropic advisors to meet the charitable giving needs of their clients.

As a community foundation with \$1 billion in assets under management, the Foundation offers Donor Advised Funds (DAFs) that can be started with gifts of \$10,000 or more in cash, securities, complex assets, real estate, and LLC or partnership interests. Gifts to DAFs are generally tax deductible (50 percent of adjusted growth income for cash; 30 percent for stock or real property) and no yearly distribution is required. The Foundation charges a small annual fee for administration and management.

Please contact Laura T. Godine, Senior Director of Professional Advisor Relations, at laura.godine@tbf.org or 617-338-1218 for more information about Donor Advised Funds.

