Talking to Clients About Philanthropy

Attorneys

Discussing Philanthropy With Clients is Good For Business

40% of high net worth individuals indicate that they would be more likely to choose an advisor who is knowledgeable about charitable giving.
  - US Trust "The Philanthropic Conversation"

Start the Conversation

- **Introduce the topic early.** Make philanthropy part of your initial information gathering discussion. Does the client consider themself charitable? How do they want to use their wealth?
- **Talk about legacy.** What kind of world do they want to live in, or leave to their heirs and/or their community?
- **Let the client step back from the finances.** Ask your client which issues in society they would address if they were able to do so.This can open up a conversation about how their vision of a better world fits into their wealth plan.
- **Look at past tax returns** to understand previous charitable giving. Ask questions such as, “Would you like to continue this level and type of giving?” Rather than framing philanthropy as a new task, allow clients to see their giving as an evolution that simply builds on what they have previously done.
- **Openly discuss concerns.** "But I need to provide for my children." "I don't have enough money to give to charity." To assuage concerns about current and future financial needs, make a financial plan and ask, “If we can guarantee that your needs will be met, and your children will receive X amount, would you be interested in some of the rest going to charity?” More often than not, the answer is yes.
- **Offer local expertise and tailored options.** The Community Foundation of Snohomish County can provide you with the resources, options, and local knowledge you need to provide your clients with personalized charitable giving plans.

What Are My Client's Options?

- **Leave a bequest** by naming a charity as a beneficiary in your will.
- **Create a charitable fund** with the Community Foundation. Support a favorite charity or charities with grants made from your fund after you are gone.
- **Name one of the Community Foundation's Community Impact Funds in your will** and support local nonprofits working in education, health care, the environment, or another field of interest you choose.
- **Change the beneficiary designation** on a retirement account or life insurance policy to your favorite charity. The Community Foundation can help here too.
- **Designate your favorite charities** as grant recipients from a charitable fund that, when the time comes, will be funded by the assets donated through your estate.
- **Want to leave an inheritance to your kids too?** You can do both. Designate that just a % of your estate or the remainder will go to charity. Your heirs will get the rest and you will leave a meaningful legacy.

For language to include in your client's will, visit: https://www.cf-sc.org/wp-content/uploads/2021/09/Leave-a-Legacy-Language-for-Your-Will-CFSC.pdf to download a printable handout.

For more information:
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COMMUNITY FOUNDATION of Snohomish County

Leave a Legacy

Naming the Community Foundation as a Beneficiary in a Will or Estate Plan

For Designated Gifts:

When your client wants to create a charitable fund that supports specific nonprofits or an area of interest.
If you would like to specify how your gift is used once you are gone, Foundation staff will work with you now to create a fund agreement. Agreements can be revised or changed at any time. Language in your will can mention a signed fund agreement:

"My bequest shall be placed in the (name of the fund) Fund held at the Community Foundation of Snohomish County, a nonprofit corporation of the State of Washington, TAX ID/EIN # 94-3188703. Once placed in the aforementioned fund, the bequest will be used in accordance with the signed fund agreement on file with Community Foundation of Snohomish County."

You can even specify the type of fund you'd like to create:

Community Fund
"The principal and income of the fund established by this gift shall be known as the___________ Fund, the income of which shall be distributed by the Board of Directors of the Community Foundation of Snohomish County as it shall, in its sole discretion determine."

Area of Interest Fund
"This gift shall be used to create a fund to be known as the ___________________ Fund, the income of which shall be devoted to the support of (name particular charitable purpose) and so distributed according to the judgment of the Board of Directors of the Community Foundation of Snohomish County."

Designated Fund
"This gift shall be used to create a fund to be known as the ___________________ Fund, the income of which shall be devoted to the support of (name particular charitable agencies to be supported), for the purpose of (describe purpose if any)."

Advised Fund
"This gift shall be used to create a fund to be known as the ______________________Fund. (name of individual(s) you would like to make grant decisions once you are gone) will be the principal advisor(s) to the Fund."

For Undesignated Gifts:

When your client wants to keep it simple and rely on the Community Foundation to make decisions about how the gift is used
Gift a specific amount of money
"I give to the Community Foundation of Snohomish County, a nonprofit corporation of the State of Washington, TAX ID/EIN # 94-3188703 the sum of $_____to be used for its general use and purposes."

Gift a specific piece of property or shares of stock
"I give to the Community Foundation of Snohomish County, a nonprofit corporation of the State of Washington, TAX ID/EIN # 94-3188703 (insert a description of the property, e.g., ______ shares of stock in ________Company or real property located at (address) with a legal description of________) to be used for its general use and purposes."

Gift the remainder of an estate
"I give to the Community Foundation of Snohomish County, a nonprofit corporation of the State of Washington, TAX ID/EIN # 94-3188703 all or ____% of the rest, residue, and remainder of my estate to be used for its general use and purposes."

Additional options

- Name the Community Foundation as the beneficiary of a retirement account.
- List the Community Foundation as a beneficiary of a life insurance policy.
- Donors can remain anonymous.

Check out our podcast!

Looking Forward. Giving Back.
To hear local practitioners share their thoughts on how to talk to clients about charitable giving. Available now on Spotify, Anchor FM, and Apple Podcasts.

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