For Professional Advisors: The “Giving” Talk

Chris Page & Mae Hong

March 5, 2014
“To give money is an easy matter in any man’s power. But to decide to whom to give it, and how large and when, and for what purpose and how, is neither in every man’s power nor an easy matter. Hence, it is that such excellence is rare, praiseworthy, and noble.”

- Aristotle (384 – 322 BC)
ABOUT RPA

HERITAGE
Traces roots to John D. Rockefeller Sr. in 1891; now one of the world’s largest philanthropic service organizations

EXPERIENCE
Overseen more than $3 billion to date in grantmaking across the globe

ORGANIZATION
Established as a nonprofit with offices in New York, Chicago, Los Angeles and San Francisco

STAFF
A cadre of senior staff with experienced as foundation program officers, corporate funders and nonprofit leaders

Helping donors create thoughtful, effective philanthropy throughout the world.
WHAT WE DO

• Develop strategic and operating plans for philanthropic programs
• Manage foundation, trust or other giving programs
• Structure and negotiate major capital gifts
• Research on issues, approaches and nonprofits
• Create and implement corporate philanthropic and social responsibility programs
• Serve as fiscal sponsor for projects supported by private foundations, government agencies, corporations and individual donors
• Offer a Charitable Giving Fund, through which donors can make international gifts and participate in funding consortia
• Write, speak and publish on philanthropic issues
WHY TALK ABOUT PHILANTHROPY?

- Deeper, stronger client relationships
- Solidify position of trust: Knowledge that if you don’t provide the service someone else can
- Better coordination of client’s overall plans leads to increased loyalty
- Ability to uncover previously undisclosed assets
- Increased assets under management
- Increased potential for new referrals
- Satisfaction of helping clients help others in need
WHAT DO CLIENTS WANT?

• Comprehensive, unbiased, value-neutral information to make good long-term decisions
• Practical, accessible information presented in plain language
• Information about the challenges of involving children in family giving programs
• Ability to become increasingly strategic and proactive about their grantmaking
• To be connected to peers and other like-minded donors
• Information about “Best Practices”
• Stimulation and/or cultivation of their philanthropic interests
• The opportunity to translate inspiration into action
• To spend sufficient time developing philanthropic goals and refine a sense of mission

Philanthropy is no more personal than any other topics raised by advisors with their clients.

Advisors are the front line of philanthropy and have an opportunity to educate.

Many clients have not taken the time to address the topic though an interest exists.

Advisors need to develop a working conversation and be willing to engage additional resources if necessary.

You
### “I’m Not Rockefeller”

<table>
<thead>
<tr>
<th>RESISTANCE POINTS</th>
<th>ADVISOR RESPONSE</th>
</tr>
</thead>
<tbody>
<tr>
<td>“Philanthropy” is a vague and intimidating word for me</td>
<td>Link philanthropy to the client’s everyday concerns and interests</td>
</tr>
<tr>
<td>I don’t want to become a target for charities</td>
<td>There are opportunities for anonymity</td>
</tr>
<tr>
<td>I’m afraid I won’t make a difference</td>
<td>Effectiveness, not size, of grants makes all the difference</td>
</tr>
<tr>
<td>I don’t have time to get involved</td>
<td>External resources can minimize research and administrative workload</td>
</tr>
<tr>
<td>Philanthropy is part of estate planning and I’m uncomfortable discussing my mortality</td>
<td>Make the discussion about living goals; the joy of giving does not have to be postponed until after one’s death</td>
</tr>
<tr>
<td>I’m cynical about the charitable sector</td>
<td>Scandals are rare; the vast majority of the industry is producing great work</td>
</tr>
</tbody>
</table>
INITIATING THE CONVERSATION

• Do you currently support any community groups or charitable organizations with volunteer time and/or money?

• Do you have a sense of gratitude to any charitable organizations/institutions that have served you well?

• Would you be interested in exploring ways to support your community or causes you care about, if you could still leave a substantial portion of your estate to your children?

• What kind of legacy do you wish to leave behind? What values would you like to preserve and to pass on to your family in addition to your wealth?

• Who in your family or community has shaped you as an individual? Are there places where you have lived, traveled, or vacationed that made an impression?
HOW TO CONDUCT THE PHILANTHROPIC CONVERSATION

• Make philanthropy a part of your client’s overall wealth management plan

• Recognize and respect the personal nature of philanthropy

• Explore your client’s values and objectives well before recommending a specific giving vehicle

• Understand that philanthropy is not a product to be sold, but rather an idea to be created and nurtured
CONVERSATION OUTCOMES

• Uncover the depth of your client’s interest around philanthropy

• Determine whether philanthropy is a meaningful piece of your client’s overall wealth management plan

• Understand what is driving your client’s interest in philanthropy

• Determine what action needs to be taken next
“Why Now?”
Innovations in Giving: Trends in Family Philanthropy

- Multi-Generational Involvement
- Solutions-Based Approaches
- Intensive Engagement
- New Ways to Fund
Multi-Generational Involvement

A CHANGING PARADIGM

Duty & Responsibility replaced by Purpose & Fulfillment

ENGAGING THE FAMILY

Beginning early

Considering age span, geographic dispersion

Sharing, rather than passing, the baton

HONOR HERITAGE, MOTIVATION, INSPIRATION

Awareness, disparate interests, active outreach

Finding passion, earning respect, feeling worthy

COMMUNICATE, COMMUNICATE, COMMUNICATE
Solutions-Based Approaches

PLACING BIG BETS

Taking bold, informed action and staying with it for the long haul

THINKING ABOUT SYSTEMS

Viewing "problems" as parts of an overall system, rather than specific components

MEASURING RESULTS

Scaling demands greater risk taking and a dynamic evaluation processes

LOOKING FOR LEVERAGE

Partnerships, collaboration, utilizing networks, the value of non-financial resources
Intensive Engagement

**DIVE IN**
Don’t let perfection be the enemy of the good; take informed action

**EXPLORE**
Broaden your skills, knowledge, experience, perspectives, networks

**PARTICIPATE**
Volunteer, lead, link to life’s work

**UNDERSTAND**
Assess the impact you’re having along the way
New Ways to Fund

- Giving While Living
- Social Enterprise
- Impact Investing
- Advocacy
NEW YORK
6 West 48th Street, 10th Floor
New York, NY 10036
Phone: 212-812-4330
Fax: 212-812-4335

CHICAGO
980 North Michigan Ave, Suite 1120
Chicago, IL 60611
Phone: 312-324-0742
Fax: 312-445-8739

LOS ANGELES
6300 Wilshire Boulevard, Suite 820
Los Angeles, CA 90048
Phone: 323-658-4200
Fax: 323-658-4205

SAN FRANCISCO
575 Market Street, Suite 3625
San Francisco, CA 94105
Phone: 415-543-0733
Fax: 415-543-0735

WWW.ROCKPA.ORG