

The Road to Building Your Practice Through Family Philanthropy

An Advisor Guide



FIDELITY Charitable®
Make more of a difference



Why Family Philanthropy?

Do you know your clients' families? You should. Reaching the next generation is key in retaining assets currently in your book of business.

The charitable conversation can be a gateway to reaching that next generation of clients.

The vast majority of your high-net-worth clients are giving to charity annually, and they're engaging their families in their philanthropy. Discussing charitable planning is an easy way for you to pull your clients' families into the conversation.

Bringing up this topic allows you to:



Deepen existing client relationships



Reach the next generation



Help your clients' families learn financial management



Create a philanthropic legacy for your client that spans generations

AN ASTONISHING

98%

of people who inherit money move it from their parents' financial advisors¹

AN ESTIMATED

\$41T

will be transferred to heirs over the next 40+ years as part of the greatest wealth transfer in U.S. history.²

86%

OF OUR DONORS

discuss giving plans and philanthropic planning with their families at **least once a year**—making this an easy topic to raise.³

¹ Michael Sisk, "How to Keep the Kids." Barron's

² John Havens and Paul Schervish from the Center on Wealth and Philanthropy at Boston College

³ 2014 Fidelity Charitable® Giving Report



How to engage your client in the conversation

First, it is important to help your clients understand the benefits of creating a family giving plan. It helps them:



Cultivate family values



Strengthen family relationships within and across generations and geographies

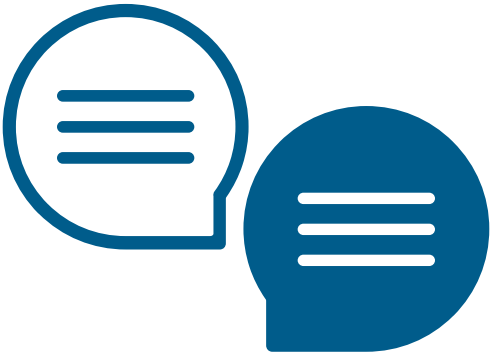


Perpetuate their legacy



Provide valuable learning and growth for the next generation

Five tips to guide the conversation



1 Understand how your client wants to engage the family in financial planning

KEY QUESTIONS TO ASK

- How are you preparing your family for inheritance?
- Do you want your family more engaged in your finances?
- How are you currently working with your family on your overall wealth plan?

2 Zero in on client values

KEY QUESTIONS TO ASK

- Are you currently involved with any charitable organizations?
- Do you currently contribute to any charitable organizations? How about colleges or universities?
- Do you wish to include charitable giving in your plan?
- What are you looking to accomplish with your charitable giving?
- What legacy do you wish to leave?

3 Ask about their families

KEY QUESTIONS TO ASK

- Does your family do any volunteer work together?
- Do you involve your family in philanthropic decisions?
- If you already use one or more charitable giving vehicles, have you thought about who the successor of those vehicles would be?
- How do you discuss wealth planning with your family?

4 Get introduced to the family

KEY TACTICS TO IMPLEMENT

- Include spouses and children in meetings to discuss philanthropic planning
- Create a dedicated charitable account for the children to give from
- Involve family in charitable gift decisions

5 Keep open lines of communication.

KEY TACTICS TO IMPLEMENT

- Identify preferred communication vehicle
- Include family on relevant newsletters/communications
- Invite client and his/her family to attend a philanthropic event with you

The donor-advised fund: A charitable solution ideal for family philanthropy

A donor-advised fund
can be funded with:



Cash



Long-term
appreciated securities



Complex assets
(including non-publicly
traded securities and
seemingly illiquid assets)

A popular charitable vehicle that encourages this type of giving is a donor-advised fund (DAF). And while historically, private foundations were thought to be the preferred or only way to engage the family, DAFs are increasingly being used in this manner.

DAFs are growing at a rate of
3:1 when compared with
private foundations

National Philanthropic Trust 2013 Donor-Advised Fund Report

The Giving Account®, the Fidelity Charitable® donor-advised fund, lets your client take an immediate tax deduction, simplify recordkeeping, and potentially give more through professionally managed investment options.

A family can set up a Giving Account® together, and then an individual family member can recommend grants to their favorite charities, on their own timetable.



For more information, reach out to our network of experts.

Our Charitable Planning Specialists are available to provide guidance on all your charitable needs, not just donor-advised funds.

📄 VISIT FidelityCharitable.org 📞 CALL 1.800.682.4438

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