

Start With 'Why'

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“If you don’t collaborate, you will lose. If you don’t include people at the beginning, do not expect them to be your allies and friends at the end,” cautions Phil Cubeta, CLU, ChFC, MSFS, CAP, the Sallie B. and William B. Wallace Chair in Philanthropy at The American College (www.theamericancollege.edu) in Bryn Mawr, Pa. “Eventually your deal is going to go across the table of the attorney and CPA. If you don’t include them early, they will kill your deal in many cases, but not always. Not only are they convinced you worked around them, not only do they feel left out and defensive, but they also have access to information you probably don’t have. So in the best interest of the client, they may well have to kill the deal because you didn’t include them, didn’t listen to them and did not find out from them what you needed to know before you made the proposal.”

Being a “lone wolf” in the solicitation of major and legacy gifts may not be in the best interest of your client, if the gift is structured incorrectly. It can thwart the success of your mission, derail your fundraising goals and diminish your professional credibility with donors. Trying to go it alone in uncertain economic times makes no sense at all. Making professional allies and friends is logical and more necessary now than ever, especially in light of the dramatic increase in donors’ use of legal and financial professionals to help them make charitable decisions. Data from the Bank of America Merrill Lynch 2010 *Study of High Net Worth Philanthropy* researched and written

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by The Center of Philanthropy at Indiana University (www.philanthropy.iupui.edu) found, “accountants (67.5 percent), attorneys (40.8 percent) and financial wealth advisers (38.3 percent) to be among the leading sources of charitable advice, followed by nonprofits (24.1 percent).”

How do fundraisers get a seat at the proverbial planning table to proactively communicate with professional advisers, often perceived as the gatekeepers, who now have the client’s ear when it comes to discussing charitable affairs? How do both sides find a common body of knowledge to use their individual expertise to better serve donors and clients? And why is it so urgent for this dialogue to take place?

“It never ceases to surprise me how much one side of the table doesn’t know about the other, says Meyer Bodoff, CAP, president and CEO of the Dallas Jewish Community Foundation (www.djcf.org). “The professional advisers are brilliant in their field, but they really don’t have a good idea or understanding of the nonprofit world, and the nonprofits don’t have a clue how the professional advisers really work and how we kind of fit in together.”

At the risk of sounding too simplistic, the answer to claiming a “seat at the table” is to—drum roll, please—collaborate. Collaboration requires both open communication and an understanding of what each side brings to the table. Fundraisers bring extraordinary value and insight to the philanthropic planning process through their passion, people skills and acumen in the far-reaching dynamics of the nonprofit sector. Professional advisers live and breathe the technical complexity of gift planning in

the context of financial, tax, estate and legacy issues. When all key advisers collaborate, the donor is best served. How refreshing and comforting for a donor to know a team of advisers is focused on one outcome: crafting the best solution to achieve his or her goals.

Effective collaboration is a process, not a transaction, and until a few years ago no formalized curriculum existed in which to learn the process. Now, more than 500 professionals from many disciplines have taken the Chartered Adviser in Philanthropy (CAP®) program at The American College. “CAP teaches the need and importance for collaboration between the donor and family, professional adviser and the nonprofit representative to reach the donor’s charitable goals,” affirms Alice Parkenson, CAP, vice president of development at the Greater New Orleans Foundation (www.gnof.org).

According to Adrian Young, J.D., MBA, CFP, CAP, executive vice president, financial strategies, at Ambassador Advisors LLC (www.AmbassadorAdvisors.com) in Lancaster, Pa., “The idea is that this cross-disciplinary type of designation provides us with a constantly improving understanding of the key issues that face nonprofits and the supporters and families of those seeking to ensure the long-term sustainability of these nonprofits.” For Young and his colleagues, who work with 40 nonprofit clients, including the local Boys & Girls Club and the YMCA, there have been several instances in which they have worked on both sides of the table. “We have served as a nonprofit’s planned-

giving partner to work with major donors and their advisers to create a bigger impact for the donors and the ministry and nonprofits,” Young says. “We have also worked with individuals and their other advisers who were seeking advice before approaching the development office of a charity.”

It was obvious to Brian Kasal, CAP, senior portfolio management director and vice president at Morgan Stanley Smith Barney (www.morganstanleyclientserv.com) in Chicago, from his numerous years as a volunteer leader in the Boy Scouts of America that many donors wanted and needed advice on what to do about giving. Kasal currently volunteers as endowment chairman for the Chicago Area Council of the Boy Scouts and is a trustee of the National Boy Scouts of America Foundation. “There are not too many people who are advocates for the donor,” he says. “So, to have an adviser who understands the full picture of the financial life of high-net-worth individuals and then be able to advocate for them on their side of the table when approaching a charity, is fairly unusual. I saw an opportunity to be that adviser, and the CAP training gave me the tools.”

The collaborative process also brings greater transparency to what everyone’s role is at the table. An important part of the CAP training for Kasal was the ethics section. “There are a lot of conflicts and issues that donors need to consider when giving money away,” he says. “It’s important to understand who benefits from the donation and make sure there are no conflicts.”

One of the goals of collaboration according to The American College is to grow a network across the professions “to help bring our respective ‘bodies of knowledge’ into a practical synthesis for the benefit of those we serve.” For Peggy Mathieu, CFRE, CAP, associate director of planned giving with The Salvation Army, Greater New York Division, (www.use.salvationarmy.org/gnyd) in New York City, a practical synthesis means the enhancement of both her CFRE and her CAP credentials. “The best way I can think of to demonstrate the importance of both credentials, and how they enhance one another, would be the ‘Planning Horizon,’” she says.

What is the Planning Horizon? Scott and Todd Fithian, authors of *The Right Side of the Table: Where Do You Sit in the Minds of the Affluent?* (FPA Press, 2007), wrote: “The Planning Horizon represents a metaphorical horizontal line. Conversations that take place *above the horizon* [why] surround the wealth holder’s deepest and most personal intent for their wealth. Conversations that take place *below the horizon* [how] surround the strategies and products that can influence the achievements of the wealth holder’s goals as identified *above the horizon*.”

Mathieu describes the synthesis between the two designations: “The CFRE, which I have maintained since 1994, is the ‘how,’ or below the line, and the CAP, which I received in 2011, is a combination of below and above the line, with a strong emphasis on the ‘why,’ or above the line.”

A greater knowledge of the Planning Horizon also brings additional awareness of and insight into the benefit of asking more *above the horizon* questions. “One thing quite different now,” Mathieu says, “is that I am much more comfortable asking probing questions and letting my donors talk more about their goals, rather than my always just trying to explain what a gift annuity or a trust is. I have a much greater awareness of things that are important and things that are not important when you



are concentrating on what the donor wants to talk about.”

After receiving his CAP designation, Bodoff finds he also is having a different type of conversation with donors as well as professional advisers. “With fund holders or potential fund holders, we don’t talk about anything in the beginning other than trying to capture someone’s vision,” he says. “I work differently with professionals advisers, too. Now when I have a conversation with them I say, ‘Look, let’s figure out at what point of your process I can be helpful. Have you had a conversation with your clients about their vision? If not, we’d be glad to step in right now and help you with that.’”

Sitting down with donors and asking them why they give before talking about the “how” may seem elementary, but most donors have never been asked the “why” question, according to Kasal. “Very often, folks haven’t ever articulated why they are doing the things they are doing,” he says.

One of the biggest challenges in developing a truly collaborate process, according to Todd S. Healy, MSW, CLU, ChFC, AEP, CAP, an adviser in the insurance industry and now managing principal at HealyPartners in Dallas, is “working with advisers who aren’t on the same page and don’t have the same language in common, and then trying to move forward without falling back

to the path of least resistance—which is to jump to the ‘how.’”

To emphasize the practical synthesis of the Planning Horizon in a collaborative setting, consider the following abridged story Healy told to a writer for *CAP—Share* (used with permission), an online publication by The American College.

“Carolyn J. Smith, CPA, AEP, CAP, my partner in San Antonio, went through the CAP program on her own last year. This year Smith is teaching the study group in San Antonio and discovered a CPA in the class with whom she shared a client. Recently, the two of us were on a conference call with the client’s attorney and the CPA to discuss the agenda for our next client meeting. The attorney’s solution was, ‘Well, I’ll just put together some options and we’ll see which one he likes.’ In other words, he went straight below the line to the ‘how.’ But the CPA in San Antonio said, ‘I’m in this CAP program with Todd and Carolyn, and they would probably say maybe we ought to start above the line and ask why the client wants to do these things.’”

Next time you sit down with a donor, whether it is at the kitchen table, the conference table or the proverbial planning table, start by asking “why” the donor wants to make a gift and leave the “how” to the professional advisers. By collaborating, you may earn a permanent seat at the table for yourself with allies and friends who will help you close the gift. ☺

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