

# Rodman & Associates

*Professional Philanthropic Advisors*

## **Legacy Giving: Your Questions Answered**

**Q.** When it comes to philanthropy, what are some of the most common characteristics of giving among Americans today?

**A.** The United States of America is the most generous country on earth, with donors giving locally, nationally and globally to support critical causes. Americans are also, not surprisingly, very independent. They value giving that comes from the private sector and while 86% think philanthropy is important, they do not want to be told how, when or to whom to give. Most Americans support charitable tax deductions, but that is not their sole reason for giving. They believe that nonprofits deserve public trust, and that giving through them can, and does, make the world a better place.

**Q.** What is meant by Legacy Giving?

**A.** Motivations to create a philanthropic legacy are often rooted in personal experience and history and deep knowledge of a cause or organization. With support from advisors, donors may utilize more sophisticated charitable tools to offer longer term strategic support, creating a legacy for the donor during their life time and beyond. Examples of legacy gifts may be program or facilities support, an endowed seat, chair or department, or a named building, garden or public square.

**Q.** How important is generational wealth?

**A.** Very important. America is now experiencing the greatest transfer of wealth in our history and giving among the wealthy is increasing. 74% of high net worth donors have a giving strategy and 93% target a specific cause or geographic area. Giving nearly doubles if advisors are involved. When philanthropic specialists, like those certified as Chartered Advisors in Philanthropy®, join advisors to strategize giving plans with their clients, it deepens the relationships, increases donor satisfaction and results in better outcomes for the charity.

When the heirs are included in this planning, both family and advisor relationships are strengthened and are more likely to endure during estate transitions.

**Q.** Why is legacy planning important?

**A.** Legacy planning takes a longer view of financial planning. If addressed early, donors have the opportunity to see the benefits to their charity within their lifetimes. Legacy planning begins with a deep conversation about the events and influences that shaped the client's values, what they hope to accomplish with their resources and how they wish to have a lasting impact. Collaboration between clients, their financial advisors and a Certified Advisor in Philanthropy, or CAP®, determines how much is needed to provide financial support for self and family, and perhaps how much is too much to pass on to heirs. This awareness of abundance supports clients in making a strategic philanthropic impact now, later and beyond death. Client satisfaction is increased by 40% when this collaborative approach is used.

**Q.** How can philanthropy help build and strengthen a sense of family?

**A.** Through family philanthropy, members strengthen their identity both in and out of the family, develop empathy and concern for their community, get to know each other as part of a family culture, and build connections across generations. When heirs are mentored by a team of trusted advisors, they can be more involved and informed in determining the family's philanthropic legacy. When elders and heirs work together to identify social needs, offer service to the community and expand their shared vision, they are more likely to make a lasting impact.