



## How to Counsel Frugal Yet Charitable Clients

Over the years, you've likely seen a wide range of client [perceptions](#) about being "wealthy" and what defines a "philanthropist." The relationship between a client's view of their wealth and their charitable capacity offers valuable engagement opportunities. You may find yourself helping [frugal clients](#) pursue charitable goals while ensuring their financial plans remain secure.



### Clients' decisions to give depend on many factors. Here are key themes to consider when working with more frugal clients.

- **Stay within budget.** Clients' fear of running out of money may prevent them from giving more to causes they care about. When savings-minded clients express charitable intentions, guide them by showing their assets, income, expenses, and projections are solid, allowing room for donations. When you present the big picture, even [cautious clients](#) may realize they have more flexibility.
- **Every gift counts.** Some clients who closely monitor spending worry that modest donations don't qualify as philanthropy or make an impact. They may not realize that all gifts, [big](#) or [small](#), matter. The community foundation can help your clients begin giving at any level, whether by setting up a donor-advised fund, arranging a bequest, or, for clients 70 ½ and older, structuring an IRA gift to support a nonprofit.
- **Maximizing impact.** The LVCF team can demonstrate to your clients how donating appreciated stock directly to a Foundation fund helps avoid capital gains taxes, allowing more resources to go to their favorite charities compared to selling the stock, paying taxes, and donating the remaining proceeds. Our team also assists in identifying meaningful giving tailored to each client's budget and interests.
- **See results.** When clients activate their philanthropy plans during their lifetime, they can enjoy giving and see the tangible impact of their investments. The community foundation can connect clients with nonprofit leaders to witness firsthand how their donations improve lives. This feedback helps adjust giving strategies to better align with evolving goals.

LVCF looks forward to working with you and your clients. Philanthropy is meant to be fun and rewarding for everyone involved. We are here to help.

## IN THE NEWS

### Lindsay Watson and Jennifer L. Mann Join LVCF Board of Governors

LVCF recently named two distinguished leaders to its Board of Governors, **Lindsay Watson** and **Jennifer L. Mann**, who bring extensive experience, entrepreneurial spirit, and a deep commitment to community service. Lindsay serves on the Community Investments Committee and Jennifer serves on the Community Relations Committee.

[Lindsay Watson](#) is the Co-Founder of the award-winning FIA NOW Employment Solutions and Founder of Joy Fluent, a virtual assistant and support business. Lindsay has made a significant impact in human resources, business development, and public speaking, with over 19 years of experience in staffing, recruiting, relationship management, and career coaching.



[Jennifer L. Mann](#) also brings a wealth of experience back to the Board, having previously served from 2013 to 2022. As a seasoned professional in government, business, and philanthropy, Jennifer's background includes serving as a Pennsylvania State Representative and working in various leadership roles across multiple sectors.



# Charitable Giving can Help Parents Pass Wealth to Children

How much is too much? That's a question many parents ask as they structure lifetime gifts and bequests to children in their financial and estate plans. Wealthy clients are sometimes concerned that leaving [millions of dollars](#), or even hundreds of thousands, to their children could [backfire](#) and hinder their kids' ability and motivation to achieve financial independence.

In addition to concerns about fostering entitlement and [dependency](#), many parents are concerned that their children will miss out on the satisfaction of knowing they built wealth on their own. These parents believe that the challenges and struggles along the way will ultimately enrich their children's lives with intangible benefits that are far greater than the obvious benefits that come with gifts or an inheritance of significant financial resources.

As you work with clients who feel this way, please reach out to the community foundation. Every day, our team works with families who are in this exact situation. We'll help you evaluate strategies.



- ▶ Establishing philanthropic components of an estate plan so that children receive only the amount that can pass to them free of estate tax, with the rest passing to a charity, such as a donor-advised fund at the community foundation.
- ▶ Setting up a [donor-advised fund](#) at the community foundation to allow your clients to support favorite charities during their lifetimes, with the terms of the donor-advised fund providing that the children step in as successor advisors following the clients' deaths.
- ▶ As successor advisors to the donor-advised fund, the children can work with the community foundation to recommend grants to favorite charities, support interest areas pre-selected by their parents, or both.

Many clients are attracted to this type of structure because not only could it avoid estate tax, but it also allows their children to stay involved with all of the family's wealth, work together and keep sibling bonds strong, and get involved in the community.

## Charitable Planning Techniques on the Horizon

### Election year implications

Naturally, as a financial, legal, or tax advisor, you're very interested in how the results of the November elections could [impact tax laws](#). What you might not know, though, is how significantly an election cycle can impact nonprofits' fundraising efforts. Keep this dynamic in mind as you meet with clients who serve on nonprofit boards. These clients will appreciate the fact that you're aware of the challenges. They'll also be glad to know that you're happy to loop in the community foundation team as a resource to structure and accept complex gifts as charities double down on fundraising efforts this year.

### Snapshot of giving trends

If it feels like more clients are asking about giving techniques such as crowdfunding, using appreciated stock to support charities, and setting up donor-advised funds, you are not imagining it. [These trends are real!](#) It's smart to stay up-to-date at a high level so that you're generally aware of what's going on with philanthropy. Beyond that, the only information you need is LVCF's phone number. Our team is here for you! We are honored to be your first call anytime a client mentions that they'd like to launch or update a charitable giving plan. LVCF can provide tools and services that will help your client achieve their goals.

### For your calendar

If you're in search of tools to help motivate clients to move forward with financial and estate planning, be sure to note that [National Estate Planning Awareness Week](#) is October 21-27, 2024. The perfect time to share the benefits of estate planning. And of course, on all things related to charitable planning, please reach out to LVCF. We'll share best practices for encouraging clients to get serious about planning all aspects of their estates, including the legacies they'd like to leave to the causes and the community they love.