



DAF Insights for Advisors

Expertise and tools to help advisors deepen the philanthropic conversation

How to Talk with Clients about Donor-Advised Funds

By Ellen Galluccio, Director of Development, Northeast Region

Chances are you understand the [reasons](#) you should talk with clients about donor-advised funds, but you may still procrastinate doing it.

Many advisors find starting a discussion around giving a little awkward. But delaying could be a mistake. Almost a third of clients expect you to talk about charitable giving in their very first meeting, according to a study by [U.S. Trust](#)—and the majority agree that it should come up in the first few meetings.

What's more, for advisors who know how to introduce the topic and manage it well, conversations about philanthropy can be a differentiator, leading to better client relationships and possibly more referrals.

How can you get started? It's as easy as covering the five W's—starting with why:

Why?

Get personal and start with why your client gives. Unfortunately, many advisors jump too quickly into the technical aspects of giving, such as tax considerations, according to the U.S. Trust study. Instead, begin the conversation by asking about your clients' passions and interests. Talking about their values helps them clarify what they want and provides a foundation for a giving plan. Even if your clients haven't thought a lot about giving, you are at least opening a door to further discussion.

Who?

Take an interest in the charities that your clients support. They may already have favorite organizations, such as an alma mater or place of worship. If not, you can play a valuable role in helping them [find the best tools](#) to evaluate nonprofits that support their areas of interest.

What?

Consider the types of assets a client has and what might make the best donation. Giving cash is simple, but there are additional benefits to giving appreciated assets or an illiquid gift such as real estate.

Where?

Discuss where the gift should go—directly to the charity or to a donor-advised fund first. Clients who give multiple gifts of stock every year may find the process time-consuming and may dread the difficulty of record-keeping. By using a DAF, clients can make one large donation of stock and then recommend cash grants to any number of charities with greater ease. For charities that aren't equipped to handle non-cash gifts, a DAF is an excellent tool. Most DAFs accept appreciated securities and some DAF sponsors, like NPT, accept a [wide range of assets](#).

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When?

Evaluate when the client should give. A DAF allows individuals to contribute when it is most advantageous, take an immediate tax deduction and grant to charities later. This is particularly helpful for clients with variable income who still want to make regular gifts.

By having conversations around giving, you can help clients not only grow their assets but put them to use in ways that are meaningful to them. That's a triple win—for your client, your business and the charitable causes you help your client support.

For more information, please contact us at (888) 878-7900 or by email at npt@npitrust.org.

Ellen Galluccio is NPT's Director of Development, Northeast Region and has more than 20 years of experience in financial markets. Ms. Galluccio is responsible for business development, relationship management and advanced philanthropic planning.

Coming Next (Sept. 5): How to Manage the Ongoing Conversation about Donor-Advised Funds