



DAF Insights for Advisors

Expertise and tools to help advisors deepen the philanthropic conversation

Help Clients Create a Charitable Legacy—and Build Your Client Base

By Andrew Hastings, Chief Development Officer

More than 80% of advisors say that few—if any—clients involve the next generation in philanthropy, according to a [Key Private Bank advisor survey](#). Yet many clients would like their children to carry on their giving legacy. As a financial advisor, you are in a strong position to help your clients achieve this goal.

By helping clients plan a charitable legacy, you may begin to build relationships with the clients' extended family. This could be a valuable way to help you retain and expand your asset base. Over the next 25 years, nearly 45 million U.S. households will transfer more than \$68 trillion to heirs and charity, according to a report by analytics consulting firm [Cerulli Associates](#). The next generation often brings those inherited assets to a new advisor—particularly if they have had little contact with their parent's advisor.

A donor-advised fund (DAF) can be an excellent solution—for advisor, client and family. With a DAF, your clients can involve their children in giving during their lifetime, and they can ensure that their giving tradition continues by appointing their children as successor advisors of the DAF. As the advisor, you have the [opportunity to build trust](#) and deepen your relationship with the entire family.

With an NPT DAF, there are three primary legacy succession options:

- 1. Designating Charitable Beneficiaries.** Your clients can recommend one or more charities to receive a lump sum grant at the time of their death by designating a percentage of assets left to each charity.
- 2. Naming Individual Successors.** Clients may appoint up to four individual successor advisors to be designated as primary advisors on new DAF accounts. Each new DAF would receive a percentage of DAF assets, as determined by your client.
- 3. Establishing an Endowment.** Clients with \$100,000 or more in their DAF are eligible for NPT's endowment program and can recommend a percentage of assets to be distributed over time in annual recurring grants to one or more charities.

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Your clients can also choose a mix of the three legacy plan options. For instance, they may elect to name individual successors to receive 75% of remaining DAF assets and recommend a designated charitable recipient for 25% of assets. As the financial advisor, you will have the opportunity to talk through these options with your clients and help them work with their children. By taking an interest in the causes most important to them and helping them develop strategies to create a lasting legacy, you will go a long way toward cementing your relationship with the entire family.

For more information about NPT's [uniquely flexible DAFs](#), please contact NPT by phone at (888) 878-7900 or by email at npt@nptrust.org.

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