



BLB&B Advisors, LLC  
FINANCIAL GUIDANCE SINCE 1964

# MONEY *notes*



Nicole Tell  
Executive Director  
BLBB Charitable

## Planning for a Philanthropic Mindset



According to Merriam-Webster, a philanthropist is someone who “makes an active effort to promote human welfare.” While the general assumption is that you need to be exceptionally wealthy and able to donate monetary gifts in the six and seven-plus figure range in order to be considered a philanthropist, this does not jibe with the reality of philanthropy. Rather, if you regularly give of your time, expertise, and money to the nonprofit community, you are a philanthropist.

Navigating the world of philanthropy can be a challenge. Knowing how and where to give to maximize impact requires experience and expertise. Similarly, knowing how to develop and execute upon a personal or family giving strategy and mission is critical to ensuring your philanthropic efforts have a maximum and lasting impact.

If you find yourself wondering how you can make a lasting philanthropic impact in your community now *and* in the future, or if you are contemplating giving significant gifts to non-profit organizations, you may

want to think strategically about:

- (1) how best to give to causes you care about;
- (2) how best to structure those gifts; and
- (3) how you can find those impactful and strong organizations that address the issues that are important to you.

A philanthropic advisor—particularly one who works in conjunction with your financial advisor and planner—can help you:

1. Answer these (and many other) questions;
2. Develop and implement a well-thought out philanthropic mission and strategy; and
3. Incorporate this philanthropic strategy into your comprehensive financial, tax, and estate plans.

More specifically, a philanthropic advisor can help you tackle the following kinds of issues and situations:

[ continued ]

## **Plan beyond checkbook giving**

Writing checks or making online donations to organizations that solicit your support or that focus on an issue you care, or read, about is great. However, this type of “checkbook giving” may not be the best option for all your donations. For giving at a more substantial level or giving after your death, you will want to consider funding your philanthropy with a more strategic, tax efficient, vehicle.

Luckily, there are many options available—including donor advised funds, private foundations, and a host of different charitable trust vehicles (some of which may even pay you or a loved one income during your lifetime). All these options and their important differences, and what makes sense for you, can be overwhelming. A philanthropic advisor can help determine the right vehicle for you. A philanthropic advisor who works directly with your financial investment advisor is ideal, as they will be familiar with your portfolio and your financial plans. For example, rather than using a separate charitable vehicle, you may be better served by donating shares of highly appreciated stock from your portfolio. This could help diversify your portfolio, save you capital gains tax, and make a huge impact to a nonprofit in a way that you did not realize you could.

## **Develop a philanthropic strategy**

Regardless of the giving vehicle you use, it is important to develop a giving strategy that achieves your long-term giving goals. Many people, including those who think of themselves as charitable, have never spent time creating a giving strategy.

A philanthropic advisor can help you create a giving strategy that fits your specific needs and complements your financial plan. As stated earlier, most people are responsive charitable donors: your friend or colleague asked you to give, or you heard about an issue or an organization, and wish to support it. Having a greater and more meaningful impact with your giving (regardless of the size of your gifts) takes a more disciplined sense of purpose or a mission for giving. This process starts with an analysis of why you give in the first place.

*[ continued ]*

### **Case Study: Turn Your Family Business into a Family Philanthropy**

You and your spouse have owned a local family business for years. Your children do not want to take over and you are selling the business. During this process, you realize you will miss contributing to the local community.

For years, your family has donated relatively small gifts through the business to a local home for homeless families. Through a values exercise, your family realizes that their interest in this organization stems less from an interest in homelessness, and more from an interest in providing permanent economic security to families.

Working with philanthropic and financial advisors, your family determines that creating a small foundation, with a portion of the sale proceeds from the business, will allow the family to make a long-term, substantial impact in the community.

The philanthropic advisor can help connect you with a group of experts from various disciplines who are tackling the problem from different angles.

These conversations help you focus on where your giving can have the most impact and how to structure your grant programs properly. Finally, your financial advisor can help determine the investment and spending policy for your foundation to accomplish the philanthropic goals your family wants to achieve.

To determine your “why,” you must understand what are your and your family’s core values. Your values are the underlying virtues that drive you to the decisions you will make about giving (and often impact your legacy in giving). A philanthropic advisor can help with activities and guide conversations for you and your family to gain clarity on your values.

The next step to developing a philanthropic strategy is to translate mission and values into grantmaking. This could include researching community needs and educating yourself on organizations, subject matter experts, other funders, or innovative ideas to help navigate the complexities that can come with substantial and sophisticated philanthropic investments. Again, a philanthropic advisor can help with more extensive due diligence and education. They can also help determine if the organizations you currently support are making the impact you want regarding the issues you care about.

### **Engage your family in your philanthropy**

For many donors, involving their family in their giving is an important aspect of establishing a legacy and passing down values. Successful family philanthropy, however, requires open communication, clearly established rules, and compromise. Knowing when and how to involve other family members in order to obtain their buy-in and commitment is key. Having an outsider facilitate and focus those conversations can help tremendously.

### **Give more than money**

In addition to substantial monetary support, you may want to give your time or talent in a meaningful way to the community. How to find a community opportunity that balances purpose, passion, and experience

—whether through board service, volunteer opportunities or reinventing your professional focus—is both time-consuming and difficult. A philanthropic advisor can help research, and connect you to, organizations that fit your interests and strategy.

### **Align your philanthropy with your financial plan**

As you can see, there is considerable complexity involved in creating a philanthropic strategy. There are ways to best maximize your impact, your financial tax advantages, and your finances to ensure you and your family are not only cared for, but can have a long-lasting impact on the causes you care about. That’s why it’s important to consult your BLBB advisor in advance. It is essential for your philanthropic plan to work together with your financial, estate and tax plans. BLBB’s philanthropic advisory services are unique because in addition to our team’s investment expertise, several of our members also serve on the board of our private foundation, BLBB Charitable, as well as other area non-profits.

Additionally, unlike most other financial advisory firms, we have a nonprofit philanthropic advisor on the team. After years of practicing law in both New York City and Philadelphia, Nicole Tell has over ten years working in the local nonprofit sector in various leadership roles. As the Executive Director of BLBB Charitable, Nicole works with the board to establish the foundation’s values, refine its mission, develop and implement a giving strategy, and determine how to align our foundation’s impact in our community with our philanthropic goals. Together, Nicole and your BLBB financial advisor can help you and your family review your various options, explore your goals, and make a plan that works for today and your family’s future.



**BLB&B Advisors, LLC**  
FINANCIAL GUIDANCE SINCE 1964

www.BLBB.com  
215.643.9100

Mailing address  
P.O. Box 1010, Montgomeryville, PA 18936

Street address  
103 Montgomery Avenue, Montgomeryville, PA 18936