



What to look for in a Philanthropic Advisor

There is a question that is gaining some popularity in philanthropic circles lately: “You worked hard at making your money, shouldn’t you do the same when giving it away?” As with many of the things we purchase, acquire or collect in life, we get so caught up in the acquisition that we never think about what it will take to divest ourselves of the item. But selling a home, a car, a boat – even giving these things away, can prove more stressful and demanding than acquiring these items.

To some, giving money away seems like the easiest occupation in the world. They bristle at the notion that one would need to hire an advisor for something which seems so easy. Where these people are mistaken is in equating philanthropy with “giving money away.” The confusion is understandable. The act of endowing a foundation, a charitable remainder trust, or some other philanthropic instrument is as simple as writing a check, and that might rightly be called giving money away. But as soon as one commits to distributing that money in service of a mission, cause, or purpose, philanthropy begins.

If donors fail to perceive the qualitative difference between writing checks and fulfilling a charitable mission, they will rarely, if ever, take the important step of seeking professional philanthropic advice. Most people feel that their lawyer, banker, or family financial planner can execute their philanthropic goals as an add-on to their current services. Again, this notion, though mistaken, is understandable because there are some key skills required to execute a philanthropic vision that can be performed by most financial advisors.

- ☑ Check writing
- ☑ Tax Code Compliance
- ☑ Maximizing Deductions
- ☑ Leveraging PR Benefits
- ☑ Reporting back to the client.

If philanthropy were strictly a transaction between donor and grantee, it would consist of no more than these activities. But the word *philanthropy* is derived from two Greek words which, when put together, mean “love of humanity.” To be a philanthropist is to be a lover of humanity. Simply writing checks and maximizing deductions cannot discharge this sublime vocation.

This is why any donor who has a passion to change the world can benefit from the help of an advisor who is dedicated to fulfilling the philanthropic interests of donors. Here are some important things to look for as you shop for someone to help staff your foundation or advise you on your charitable giving.

First, a good philanthropic advisor must have the basics down cold. The five skills mentioned above, from check writing to reporting, are the foundation of good philanthropy and must be done flawlessly and with great consistency to allow philanthropy to express its real genius in the execution of mission.

Beyond these basic fiduciary skills, a wide worldview and broad experience are important traits of great philanthropic advisors. One way to express this might be the term *crossover ability*. The best philanthropic advisors have the unique ability to walk with ease, charity and mutual respect in any company, great or small. This is important because on any given day a philanthropic advisor might be required to go from a breakfast meeting with donors inside the Chicago loop to a site visit at Cabrini Green with two Asian nuns who run a homeless shelter.

If philanthropy separates itself from mere check writing by the importance it gives to fulfilling a mission, then every philanthropic advisor ought to be an expert at the three key areas related to helping a mission-oriented group achieve its goal. These skills are:

- ☑ Achieving mission clarity
- ☑ Uniting a team around the mission
- ☑ Evaluating, correcting and perfecting the mission

Harmony among the board of directors – especially when it is a family board, is perhaps the single most consistent predictor of how focused and effective a foundation will be in distributing its dollars. An outside advisor can promote order and professionalism with objectivity while acting as a shock absorber for the most contentious issues. As a third party, the advisor can also help prevent mission drift and power struggles which often hamper effective foundations.

Finally, one additional skill to look for in a philanthropic advisor is the ability to work independently. Most donors live in a world that is extremely mobile, far reaching, and full of opportunities. Their greatest need from any of their advisors is a consistent experience despite the donor's variable commitment. In the inevitable absence of the donor or key decision maker, a good philanthropic advisor must be able to execute donor intent without hesitation or doubt – and must be empowered to do so by the donor.

For more information on choosing a Philanthropic Advisor, contact The Legacy Group at www.legacyatwork.com.