

Wealth Planning Update

Your Philanthropic Journey

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In This Wealth Planning Update:

- » *Philanthropy is a personal journey that begins at different points of time and is displayed in multiple ways.*
- » *Recognizing that everyone begins their philanthropic journey at a different place allows families to harness the power of philanthropy to create an impactful legacy for themselves, their communities, and the world.*

The philanthropic journey is distinctly personal. People approach philanthropy in many different ways. Some may think it as something they will “do” when they reach a milestone, such as retiring from a career or achieving a certain level of economic success. Some may give to charities only when asked instead of seeking out organizations that align with a personal passion. Some believe “charity begins at home” and focus their resources and energy on their families, friends, and communities. While still others pursue philanthropy at a global level. Whatever the approach and ideology, giving of time, treasure, and talent makes one a philanthropist. Taken one step further, we are *all* philanthropists in some manner or form. Recognizing that everyone begins their philanthropic journey at a different place allows families to harness the power of philanthropy to create an impactful legacy for themselves and the world. This Wealth Planning Update will explore ways to take that first step in the philanthropic journey: engaging your loved ones in philanthropy while sharing your philanthropic values.

Philanthropic Values

There is a lot of talk about “values” these days—how to identify them, how to incorporate them into your life, how to pass on your values to your family. Values can also be defined as principles—the overarching themes you want to embrace and exemplify in your life, the principles you stand for. But what is the genesis of values? Where do they come from, and do they change over time? In their groundbreaking book on the generation gap in the workplace, *When Generations Collide*, Lynne C. Lancaster and David Stillman explain, “The events and conditions each of us experiences during our formative years determine who we are and

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how we see the world.”¹ For example, people who grew up during the Great Depression are more apt to save. These so-called Traditionalists typically trust institutions and want to focus on the good work of charities and solve problems in a practical way. People who grew up during the 1960s are more likely to be optimistic and idealistic. In contrast to the Traditionalists, Baby Boomers tend not to trust institutions and want to be more active in their philanthropy—through direct volunteering, focusing on passions, or measuring the impact of their financial gifts. The children and grandchildren of the Traditionalists and Baby Boomers, the Generation Xers, Millennials and Generation Zers, hold different attitudes about the world based on milestone events that occurred while growing up. Put simply, when you were born influences your philanthropic values.

Imagine sitting around the dinner table with your family and asking this question: Which charitable organizations should we as a family support this year? What do you think would be the response? Would there even be a response? More importantly, are you prepared for the response? If you are like most people, you have very little idea as to what the response would be—it might even make you a little nervous asking the question. Yet by asking the question, you are opening the door to the possibility of a deeper connection with your family as philanthropy unites families across generations through sharing values, stories, and life lessons.

Ideas to Spark Conversations Between Generations About Philanthropic Values

Connecting with loved ones through values fosters connection. Here are some ideas to assist you in making those connections:

1. **Determine Your Family’s Philanthropic Values:** The Private Bank has created a list of philanthropic values, “What Are Your Philanthropic Values?” that helps clients review their past charitable giving in light of their values. One way to use this worksheet is to hand it out to loved ones and have everyone select their values and then review as a family. Picking out the values with the most consensus could be a way to decide on where to focus future family philanthropy.
2. **Give a Gift to Them That’s Not for Them:** Another way to spark a conversation about philanthropic values is to give each family member \$50 along with the caveat they can do whatever they want with it as long as they do not use it for themselves. At the next family gathering, go around the table and ask everyone what they did with the \$50 and why. Some may have donated to a charitable organization, while others may have given it away to people they see in need.
3. **Look at How Your Family Has Engaged You in Philanthropy:** As you review your values, recognize that your children and grandchildren have engaged you in philanthropy whether you know it or not. How many bags of popcorn or boxes of cookies have you bought over the years? Magazine subscriptions, cards, and wrapping paper? Your children and grandchildren have pulled you into philanthropy to support organizations, schools, and teams you might not otherwise support. Ask yourself, “Why?” Perhaps you saw their passion for the organization and wanted to encourage them, or maybe you felt obligated. Remind your children and grandchildren of their philanthropic endeavors, and encourage them to articulate why they wanted to help the organization, what impact they felt they had on the organization, and how it made them think or feel afterward.

¹ *When Generations Collide*, Lynne C. Lancaster and David Stillman, 2003

4. **Teach Philanthropic Virtues With a Giving Assignment:** Grandparents may find philanthropy as a way to connect with their grandchildren. In the book, “The Cycle of the Gift,” authors James E. Hughes, Jr., Susan Massenzio, and Keith Whitaker suggest using philanthropy as a way to interact directly with grandchildren in a serious endeavor. “Philanthropy, in and of itself, is a practical teaching tool: Virtues are learned through the process of giving to others. It offers grandparents a chance to take a role in teaching grandchildren the values of gratitude and stewardship.”² The authors suggest a number of ways to do so, including creating a family fund in which each grandchild has the opportunity to give to an organization or cause meaningful to them. This works for parents, too. Clients have established donor-advised funds specifically as family giving pools. Each family member is asked to “apply” for a grant to give to an organization or cause. The application process requires careful research into the organization. At a subsequent family meeting, each child gives a report as to why the possible grantee is worthy of the gift. Not only does this process encourage the sharing of individual values, it also puts into action values the family itself wants to embody as its legacy.

Summary

Everyone’s philanthropic journey is unique. In a time of diminishing connections, philanthropy can be a way to unite families across generations. The first step is discovering your values and encouraging your family members to discover their own. By doing so, you open the door to the possibility of creating both a more meaningful connection within your family and an impactful legacy for your family and the world through the sharing of values, stories, and life lessons.

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² *The Cycle of the Gift*, James E. Hughes Jr. Susan E. Massenzio and Keith Whitaker, 2013, pp. 61-62