

# DOING GOOD FOR BUSINESS

## THE INCLUSION OF PHILANTHROPY IN THE CANADIAN PROFESSIONAL ADVISOR'S BUSINESS PRACTICE



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**DOING GOOD FOR BUSINESS –  
THE INCLUSION OF PHILANTHROPY  
IN THE CANADIAN PROFESSIONAL  
ADVISOR’S BUSINESS PRACTICE**



## BACKGROUND:

A 2014 Canadian survey found that wealth management clients are highly interested in discussing philanthropy and look to their advisors to lead the way. While the majority of advisors indicated they had conversations on charitable giving with their clients, the clients told a different story, saying only a very few advisors raised the topic. In fact, while 90% of financial advisors reported that they discussed philanthropy or charitable giving with their high net worth clients, only 13% of clients reported having such discussions (“The Philanthropic Conversation,” 2014, p. 19). Among the small group of clients that had discussed philanthropy with a professional advisor, less than half report having experienced a good, meaningful discussion (“The Philanthropic Conversation,” 2014, p. 20).

## RESEARCH:

Research: This qualitative research closely examines those professional advisors that are managing to navigate those meaningful philanthropic conversations with their clients and asks: ***How has the incorporation of philanthropy impacted the business and practice of professional advisors, and what is the value proposition of this inclusion?*** For this research, the term “professional advisor” includes portfolio managers, wealth and estate planners, insurance brokers, financial business development managers, estate planning lawyers, and tax accountants. Thirteen professional advisors were identified by their peers as having successfully incorporated philanthropy and strategic charitable giving into their business practice. They are located in firms from Vancouver to Halifax, and represent a cumulative 360 years experience as professional advisors with a total of 156 years specializing in charitable gift planning. Semi-structured interviews were conducted with this diverse group of professional advisors and a detailed profile of each advisor is provided in the report.

**...professional advisors who ignore philanthropy do so at the peril of their business, since clients will move to someone better positioned to meet their charitable needs.**

## FINDINGS:

Findings: Interviewees of this research note a surge of interest in philanthropy as Canadian demographics shift, which they see as a result of high levels of accumulated wealth over the past few decades, and coinciding with “baby boomers” beginning to make plans for a wealth transfer to the next generation. Indications point to a great opportunity for those advisors who are poised to provide guidance to their clients regarding their charitable intent – whereas professional advisors who ignore philanthropy do so at the peril of their business, since clients will move to someone better positioned to meet their charitable needs.

Impact on professional advisor business: Philanthropy is described as the glue that binds client’s loyalty to their service with such strength that the loyalty sometimes spans across several generations. To some, philanthropy is the attractor of new clients in a firm’s quest to create a “sticky business”. Others see strategic charitable gift planning as “an enduring revenue source” when funds that might otherwise have been transferred out are maintained, and continue to produce trailing commissions. All professional advisors interviewed agree that having incorporated philanthropy into their practice has strengthened and solidified their business.

# LIST OF ACRONYMS

**CA – Chartered Accountant**  
**CFA – Chartered Financial Analyst**  
**CEA – Certified Executor Advisor**  
**ChFC – Chartered Financial Consultant**  
**CFP – Certified Financial Planner**  
**CGA – Certified General Accountant**  
**CIM – Chartered Investment Manager**  
**CIWM – Certified International Wealth Manager**  
**CLU – Certified Life Underwriter**  
**CMA – Certified Management Accountant**  
**CPA – Chartered Professional Accountant**  
**CPCA – Certified Professional Consultant on Aging**  
**CRA – Canadian Revenue Agency**  
**CSC – Canadian Securities Course**  
**CSI – Canadian Securities Institute**  
**DAFs – Donor Advised Funds**  
**FCSI – Fellow of the Canadian Securities Institute**  
**FEA – Family Enterprise Advisor**  
**HNW – High Net Worth (client/individual)**  
**MBA – Master of Business Administration**  
**RIAC – Responsible Investment Advisor Certification**  
**RIPC – Responsible Investment Professional Certification**  
**TEP – Trust and Estate Practitioner**  
**UHNW – Ultra high net worth**

# TABLE OF CONTENTS

<b>Executive Summary</b>	<b>i</b>
<b>List of acronyms</b>	<b>ii</b>
<b>Introduction</b>	<b>1</b>
<b>Canada’s charitable sector</b>	<b>2</b>
<b>Research findings</b>	<b>3</b>
<b>The business case</b>	<b>4</b>
<b>Philanthropy on the rise</b>	<b>5</b>
<b>The business of philanthropy</b>	<b>6</b>
<b>Ignore this at your peril</b>	<b>7</b>
<b>Risk the loss of clients   Technology encroachment</b>	
<b>From niche to mainstream   Eroding your ‘book of business’</b>	
<b>Good for business</b>	<b>8</b>
<b>Positioning with clients   Solutions to client problems</b>	
<b>Visibility and brand strength   Opens up opportunities</b>	
<b>Keeping the ‘book’ intact   Work-place pleasure   The ‘sticky’ business</b>	
<b>Implications</b>	<b>11</b>
<b>Professional advisors   Charities   Foundations   Donors</b>	
<b>Future research</b>	<b>13</b>
<b>Professional Champions of Philanthropy</b>	<b>15</b>
<b>Kim Abbott, Vancouver, BC</b>	<b>16</b>
<b>Patti Dolan, Calgary, AB</b>	<b>17</b>
<b>Bob Goldberger, Toronto, ON</b>	<b>18</b>
<b>Mark Halpern, Markham, ON</b>	<b>19</b>
<b>Jeremy Hampson, Montreal, QC</b>	<b>20</b>
<b>Ian Lebane, Toronto, ON</b>	<b>21</b>
<b>Brenda Lee-Kennedy, Toronto, ON</b>	<b>22</b>
<b>Murray Neilson, Vancouver, BC</b>	<b>23</b>
<b>Pam Prior, Burnaby, BC</b>	<b>24</b>
<b>Glenn Stewardson, Halifax, NS</b>	<b>25</b>
<b>Wayne Truscott, Calgary AB</b>	<b>26</b>
<b>Stephen Webb, Winnipeg, MB</b>	<b>27</b>
<b>Ross Young, Calgary, AB</b>	<b>28</b>
<b>Conclusions</b>	<b>29</b>
<b>Resources</b>	<b>30</b>
<b>Appendices</b>	<b>31</b>
<b>Appendix 1: Research Questions for Interviewees</b>	
<b>Appendix 2: Examples of strategic charitable giving plans</b>	
<b>A gateway product   Changing the advisor mindset</b>	
<b>The big plan that grew   CPP Philanthropy</b>	
<b>Methodology</b>	<b>36</b>
<b>Partners   Context   Method and the Research Question   Exploratory Case Study</b>	
<b>Semi-structured Interviews   Interviewee Selection   Bias and Ethical considerations</b>	
<b>References</b>	<b>37</b>

***While the majority of advisors indicated they had conversations on charitable giving with their clients, the clients told a different story saying only a very few advisors raised the topic.***

Few would disagree that Canada's charitable sector contributes in myriad ways to building the strong and resilient communities that make this country the envy of many around the world. While our charities rely on the generosity of donors to provide much of the resources to do their 'good works', many of Canada's high net worth individuals fall short in their charitable giving and many donors lack an understanding of the benefits and opportunities of strategic philanthropy as part of their wealth and estate planning. Professional advisors can change that, and can strengthen their business while doing so.

In 2014, the Canadian Association of Gift Planners (CAGP) partnered with BMO Private Banking, Philanthropic Foundations of Canada (PFC) and the Giv3 Foundation to explore the nature and incidence of conversations on philanthropy between financial advisors and high net worth donors. The study, *The Philanthropic Conversation: Understanding Financial Advisors' Approaches and High Net Worth Individuals' Perspectives*, found that clients are highly interested in discussing philanthropy and look to their advisors to lead the way. While the majority of advisors indicated they had conversations on charitable giving with their clients, the clients told a different story saying only a very few advisors raised the topic. In fact while 90% of financial advisors reported that they discussed philanthropy or charitable giving with their high net worth clients, only 13% of clients reported having such discussions ("The Philanthropic Conversation," 2014, pg. 19). Among this small group of clients that had discussed philanthropy with a financial advisor, less than half report having experienced a good, meaningful discussion ("The Philanthropic Conversation," 2014, pg. 20).

This research report represents the findings of an in-depth inquiry into the business practice of thirteen professional advisors who have successfully incorporated philanthropy and strategic charitable gift planning into their practice. Semi-structured interviews were conducted with this diverse group of professional advisors from across Canada with an established reputation for having an understanding of and passion for philanthropy. Their cumulative years in the professional advisory capacity is 360 years and specializing in charitable planning for a total of 156 years. A profile of each interviewee and their specialized insights regarding philanthropy as a part of their business practice is the basis of this report.

# CANADA'S CHARITABLE SECTOR



The inclusion of philanthropy in professional advisor's business practice assumes a transfer of funds from those individuals with a vision for creating a better world to those putting funds to good use for the same purpose. For this reason, an understanding of the breadth and depth of the charitable sector and the estimated dollar value of the intergenerational wealth transfer provides important context to this investigation.

Baby boomers in Canada will inherit an estimated \$750 billion over the next decade in this country's largest-ever transfer of wealth over such a period of time, and the amount will be even larger over the decade to follow (Tal, 2016a). In other words, an intergenerational wealth transfer in the next decade is estimated to boost the asset position of Canadians, 50-75 years old, by 20% (Tal, 2016b). A transfer of wealth of this magnitude has the potential to significantly impact our economy, retirement landscape, wealth distribution, and most pertinent to this report – this country's charitable sector.

Canada's charitable sector includes approximately 86,000 registered charities with a total of \$251 billion in total revenue and total expenditures of \$240 billion (Blumberg, 2017).

Total donations reported by Canadian tax filers was \$8.9 billion in 2016 (Government of Canada, 2018).

**"Foundations"** are often discussed in this report and yet there are variations to the term. Generally, charitable grant making organizations are referred to as foundations. In Canada there are almost 11,000 foundations representing total assets of \$69.7 billion (Philanthropic Foundations Canada, 2017). In this document we refer to several types of foundations. Canada Revenue Agency (CRA) defines foundations using the following (2002):

**Private Foundations:** corporations or trusts with exclusively charitable purposes and that carries on its own charitable activities and/or funds other qualified donees. They generally receive the majority of funding from donors that are not at arm's length, and may have 50% or more of governing officials **not at arm's length**.

**Public Foundations:** also corporations or trusts with exclusively charitable purposes. They generally receive funding from a variety of arm's length donors, and more than 50% of governing officials **must be at arm's length** from each other.

For the purposes of this document, when professionals refer to "in-house foundations" they are referring to a public foundation which has been created by the for-profit institutions with which they are affiliated. Community foundations are also considered to be public foundations. Both in-house foundations and community foundations offer what are called "**donor advised funds**", (DAFs), where a donor advises how their donations are distributed, but all administrative, operating and governance functions of the fund remains in the hands of the foundation ("Donor Advised Funds: What Fundraisers Should Know" | Imagine Canada, 2014). In this report a "family foundation" is categorized by CRA as a private foundation.

**This qualitative research provides an in-depth analysis of philanthropy as it is incorporated in the business practice of professional advisors in Canada. With this emphasis on business, it is somewhat surprising that financial advisors, lawyers and accountants interviewed for this research repeatedly spoke of “love”, “magic”, or the “halo effect” that philanthropy had on their practice. Monetary discussions such as commissions or transactional revenue came second to the perceived value of having meaningful conversations with clients as they discussed portfolios and wealth transition. This does not imply that these professionals found no inherent monetary value in having philanthropic conversations: the findings of this research make it clear that building deep and strong connections with clients in a fee-based business is a strong, foundational component of their business model.**

# RESEARCH FINDINGS: THE BUSINESS CASE



The professional advisors interviewed agreed that there is a strong business case for philanthropy, and yet when asked to attribute a monetary value to this activity they were somewhat at a loss for words. When the words did flow, they weren't the typical 'finance speak' terms such as "market returns", "net worth", or "liquidity". They consistently used terms such as "magic", "soul", and "love" when describing the effect of philanthropy on their business. They describe the creation of a "sticky business" by tapping into the "hearts and souls" of their clients, and in the process of having these conversations they tended to share their own hearts and souls. This is not the kind of conversation and vernacular one might stereotypically expect from nationally-respected portfolio managers, estate planners, tax accountants and estate lawyers. Yet these are professional advisors with a distinct difference: they have a reputation for having successfully incorporated strategic charitable gift planning and philanthropy into their business practice.

Then why are these professionals unable to attribute a clear dollar value to what strategic charitable giving has contributed to their revenue stream? Professional advisors interviewed are in agreement that this was virtually impossible to quantify.

Indeed, how do you quantify the shared moments of truth that bind your clients to your service? How do you quantify the glue that keeps your books intact not just throughout your client's lifetime or the advisor's lifetime, but in some cases in perpetuity? While they might not be able to quantify the long-term effects of philanthropy, strategic charitable gift planning is a solid component of their practice as a trusted advisor. One advisor describes charitable giving as highly integrated to her client service with 100% of their business focused on philanthropy; another advisor described the DAF as a beneficial philanthropic tool and the "the ultimate revenue stream" for his practice.

Revenue for these advisors is less transactional or commission-based, and more likely to be fee-based. Therefore any "value-added" service that is important or deeply meaningful to the client is a service that, by definition, adds revenue to the practice. Anything that attracts clients to your practice equates to an added revenue stream. Anything that binds clients to you and your firm, and not just individual clients but also their children and sometimes even their grandchildren – this is indeed a "magical" glue that creates a "sticky business". Jeremy Hampson (pg.20) states categorically, "there is a strong business case for our involvement in engaging philanthropic activity", and the business is growing.

# RESEARCH FINDINGS: PHILANTHROPY ON THE RISE

All interviewed agree they have noticed that philanthropy is on the rise in recent years. Jeremy (pg.20) points to one of the indicators of this rise: “The for-profit organizations, the big financial institutions, the big banks in Canada, the big financial institutions in the US: all have discovered that charitable giving and donor advised funds are going to be a very, very profitable industry in the future.” He took particular note of the trend fairly recently, “Three years ago I thought, I’m only touching the tip of the iceberg; I’m only doing one tenth of what I could be doing.” Mark Halpern (pg.19) agrees, “There are a lot more people talking about it and a lot more is getting done. But I feel like we’ve just scratched the surface.”

Whether it is due to the tremendous increase in wealth of their clients over the past decades, the increase in awareness of the needs in society, or the natural evolution of an aging clientele who are forced to start thinking about the ultimate distribution of their wealth – providing services for philanthropy is on the rise. Those interviewed have been in the business on average 28 years, and they have been speaking to their clients about philanthropy for an average of 11 years. For the most part these professional advisors started including philanthropy in their business because they have a sensibility for charitable giving, and for the well being of their community. It has been in this progression, over the years, that they have noticed the benefit to their businesses from having paid attention to the things their clients feel most strongly about.



# RESEARCH FINDINGS: THE BUSINESS OF PHILANTHROPY

The practice of incorporating philanthropy and strategic charitable planning into the professional advisors' business practice takes a variety of shapes depending on the individual advisor and their institution or firm.

Over three decades, Patti Dolan (pg.17) has created what she calls a “sticky business” through tapping into the thing her clients feel most strongly about: responsible investing. She finds that clients are attracted to the values that her firm lives by and that their relationship to money is tempered by those same values. Her philosophy of “business as a lifestyle” is a magnet for the kind of clients seeking responsible investments. Philanthropy is a natural extension of this business philosophy and provides a valuable tool for her clients to ensure that the power of their wealth is disbursed in keeping with their values. An in-house DAF further ensures that the client's values are aligned with money management, in perpetuity.

Some advisors, like Mark (pg.19), raise strategic charitable giving when they deem it appropriate to their client's needs. Mark points to key indicators: if the client is already charitable; is 60+ years old; is single, divorced or has no children; or if the client is HNW or UHNW. He sees the provision of philanthropic services as a part of the natural evolution of a client from their acquiring assets to the meaningful disposal of their wealth.

With the rise of philanthropic demand, professional advisors such as Pam Prior (pg.24) aren't waiting for the conversation about philanthropy to evolve. She has started including the topic of charitable giving in her discovery template as part of the very first meeting with a new client. Kim Abbot (pg.16) ensures that all newly hired advisors have a “philanthropic sensibility”; and Murray Neilson's firm (pg.23) has hired a philanthropy expert to assist their financial advisors with technical aspects of strategic charitable giving and talking points for their advisors for starting the philanthropic conversation.

Bob Goldberger's (pg.18) passion for philanthropy supersedes any talk of business. His voice audibly cracks when he maintains, “It's not just about money, or investments. It's about how you can use this vehicle to help others make their mark, and to help give back in an area that means a lot to them.” Bob would be the first to agree that philanthropy strengthens his relationship with his clients. But, because he takes such a great interest in the charitable outcomes and takes time out of his working days to personally steward gifts to local community foundations, he reckons he probably loses money – and then quickly rushes to say that he is not in this for the money. For Bob, this work is all about providing for the client and helping good causes.



**Whether the advisor considers philanthropy an essential inclusion to their professional service, or whether, like Bob, they consider this a passion, or labour of love, all those interviewed agree that it is perilous to ignore the charitable intent of your clients. The following are reasons professional advisors give for this warning.**

## RISK THE LOSS OF CLIENTS

One advisor describes charitable giving conversations with clients as a defensive tactic: “If I’m not talking to them about this, somebody else probably will, and as opposed to me making money I’m actually at risk of losing that client” (Jeremy pg.20). Echoing this, another advisor notes that it only takes the loss of one HNW client to wake up to the importance of philanthropy to the advisor’s business model (Ross Young pg.28). Have these professional advisors experienced this? Yes, and to illustrate how this might happen Glenn Stewardson (pg.25) offers one example: he was making a presentation, sharing concepts and ideas of charitable giving with the public. An individual approached with specific questions, looking for a strategic approach to donating a piece of ecologically sensitive land. Glenn continues his story, “I said, ‘Hey, lets look at your whole situation’ and as we kept talking about things I realized that they were philanthropic; they wanted to make an impact and they had no idea how to go about it because their brokers weren’t helping them. And they were paying way too much tax. It just opened up a whole conversation and, well, to begin with she got \$37,000 back last year in a tax return. She called and said ‘I’ve never skipped out of my accountant’s office before. I skipped out laughing.’” Glenn makes the point that not only did he attract a new client; he bound that client tightly to his practice through careful attention to her philanthropic needs. The client-advisor relationship develops quickly and deeply when this type of service is provided.

## TECHNOLOGY ENCROACHMENT

Professional advisors point to advances in technology, such “robo-advisors” backed by mathematical algorithms that threaten a business practice when it is not built on strong client relationships. Anytime you demonstrate value-for-advice you are strengthening your fee-based advisory business model. This argument is strengthened when you add in the value-added by being the advisor that assists in the complex process of unwinding a client’s lifetime accumulation of wealth for eventual disbursement,

complete with the multiple emotional and technical implications of that task. Mark (pg.19) comments simply, “You can’t have a robo-advisor take you through that transition phase”.

## FROM NICHE TO MAINSTREAM

Planning the transition of wealth for clients is no longer an anomaly in the financial sector. Interviewees depict a phenomenon where philanthropy is moving from a niche service to rapidly becoming mainstream. Brenda Lee-Kennedy (pg.22) outlined some of these trends. She points to advisors whose business model relied on supporting flow-through shares a few years ago as an early example. Next she points to the evolution of “financial institutions creating their own philanthropic vehicles with their own private foundations to accommodate their clients with their desire to extract wealth and give it to charity”. Changes in “philanthropic oversight” is another trend Brenda has noticed: “Family offices are managing all aspects and oversight of the family’s wealth, including the philanthropic dollars. This happens for single-family offices where those people work only for one family, and in a multi-family offices where a group of advisors serve a number of families. I am seeing family office practices evolve where those advisors not only assist families with money management and financial reporting but also with oversight of advice the family is receiving regarding specific planning, family governance around the family’s wealth, and general guidance, etc.” To sum up Brenda notes, “there is an entire industry being built around philanthropy”.

## ERODING YOUR ‘BOOK OF BUSINESS’

Professional advisors point out that if you have a client that is already philanthropic and you don’t assist in the process of that transition of wealth to charities, those assets will be distributed outside of your management over a lifetime of philanthropic activity. Through the use of in-house foundations and DAFs, a financial advisor can assist the client in achieving their charitable pursuits and at the same time maintain the funds on their books. Not all clients will wish to transfer their philanthropic dollars to an in-house foundation but as Wayne Truscott (pg.26) points out, “You can either step up and decide to assist in whatever way that you can, or slowly watch your business deteriorate over the course of your client’s lifetime.”

# RESEARCH FINDINGS: GOOD FOR BUSINESS

**So how exactly is philanthropy good for the financial advisor's business? Conversations with clients that go beyond the purely monetary open up opportunities and generate positive ripple effects - for the advisor's practice, for the firm, and for the community.**

## POSITIONING WITH CLIENTS

When you take an interest in the client beyond portfolio gains and losses or their business dealings, you have fundamentally changed the client relationship. Bob (pg.18) points out, "You have now positioned yourself as someone who is interested in their overall welfare, all of the important things for them and their family, and not just their financial assets." He continues: "Talk to them about what's important to them in their life and their family, and their legacy and their values, and they'll be a client for life. I guarantee they'll be with you forever because you 'get it', you understand them". The simple act of expressing an interest in the overall welfare of your client, whether those clients are in fact charitable or not, strengthens your business and shores up the longevity of your client-advisor relationship. Patti (pg.17) agrees, "It's the layering of values from generation to generation where you become what is called the 'trusted advisor'. You truly do become the person that clients call on for all sorts of things."

Knowledge of strategic charitable planning also positions a person as the "expert advisor". Even when an advisor is not confident in the details of philanthropic planning, they can benefit by drawing in others who carry that expert knowledge when appropriate. Estate planner Ian Lebane (pg.21) says his job is to help portfolio managers after they have identified a client with philanthropic aspirations. "The advisor doesn't have to have expertise in the 'giving space'. The more I can make my service a value-add to the client, the more it makes those advisors that engaged me look good to their clients."

Ross (pg.28) sums up the connection between having the philanthropic conversation and positioning with clients: "The fact that you're asking the questions - they know that you are deeply diving into what's important to them."

## SOLUTIONS TO CLIENT PROBLEMS

Philanthropy offers strategic solutions as professional advisors assist clients in transferring business, assets and wealth to the next generation. Gifts of insurance policies, in-kind gifts of securities and flow-through shares, and gifts of ecologically sensitive land were examples of strategies to help clients maximize their philanthropic dollars and at the same time relieve a looming tax burden. (see Appendix 2, pg. 33, for three detailed examples of plans shared by advisors) These are strategies that all clients, not just the wealthy, can employ.

The truly wealthy, however, share a unique problem. Many individuals of ultra high net worth are worried that they have simply amassed too much wealth to share only with their family. Wayne (pg.26) explains "There is a huge amount of concern out there by those with first generational wealth on how they can negatively affect their children, or their grandchildren during the intergenerational wealth transfer that will occur. This concern leads to conversations where clients are asking, "At what point does 'great wealth' become 'too much wealth'?" This then turns us in the direction of philanthropic pursuits." Ian (pg.21) agrees that philanthropy poses a solution for his clients who are dealing with this issue. He broaches the topic by first calculating the estimated lifetime wealth of that individual. The magnitude of this number often jolts them into the awareness that they have a potential problem. Ian notes "At this point they suddenly think 'Oh my goodness, I won't need it all, I won't outlive it, and I can't just give all this to my family members. If they have it, it will de-motivate them'", at which point, he explains, "The obvious thing is to turn to charity". Ian directs clients to the solution of strategic charitable giving. He observes, "charities can really play a role for people that may not even be that charitably motivated but who want to send their wealth somewhere, and it's too much to give to just their children."

Providing solutions to clients is what financial advising is all about and philanthropy widens the solution options. As Stephen Webb (pg.27) sees it, "If you're not operating with and paying attention to charitable giving, it means you're not being as comprehensive in your planning as you should."

## VISIBILITY AND BRAND STRENGTH

Stephen (pg.27) describes himself as “an expert in a niche market”. Since the niche has been expanding he has gained more and more attention due to that sought-after expertise. He refers to his philanthropic activity as solid business practice partly because he is viewed as being a good corporate citizen. He explains further: “Today, part of being a good corporate citizen is as much about not being viewed as a bad corporate citizen. You are suspect by your absence, and so a company should look at this and think ‘we had better be contributing to society where we do our business’. So corporately we do this work around giving, and then give individually as well”. Advising on philanthropy helps to garner professional advisors this positive attention and visibility in their community.

Glenn (pg.25) has done the math on this regarding his firm’s efforts, “\$6.5 million has been created to go to the local community because of the work that we have done over the last three years.” Glenn points to the impact that kind of funding has had in his region, and notes that this kind of impact does not go unnoticed, particularly by the successful or affluent clients they hope to attract. Referrals are a natural evolution of this attention.

Advisors point to the growth of their practice through referrals from having attracted like-minded people. Patti remarks on the uncanny nature of the attraction that shared values has on drawing in new clients, “It is as if there is a telegraph system out there. It’s built a circle - we are very much involved in the community and that means we have attracted foundations. So our client base is quite spread out; we deal with smaller foundations, family foundations and individuals with HNW, and the foundations refer other foundations to us as well.” Jeremy (pg.20) concludes, “Philanthropy is a way to differentiate yourself from everyone else out there in a positive way. You can definitely quote me on this.”

## OPENS UP OPPORTUNITIES

“When you’re having those deeper conversations about philanthropy, there are definitely strategies that get put into place from a charitable perspective that translate to dollars for me”, says Ross (pg.28). Jeremy (pg.20) has found that having philanthropic discussions has been a “revenue generator” for his business. “All of a sudden I found that people are a lot more open to purchasing different types of products, mainly insurance policies, that are going to achieve key objectives.” Glenn (pg.25) agrees, “When I have that conversation with some of my wealthiest clients, sometimes I am able to create more revenue by doing an insurance

***“We certainly see that charitable giving is becoming a natural direction for HNW families in Canada. I have come to the point that, for the client base that we have, charitable organizations have become the main listed beneficiaries of wealth that is passed on when a matriarch or patriarch has passed on.”***

policy, or maybe I find out that they actually have more money tucked away elsewhere.”

As charities generate more opportunities, professional advisors are adapting their business strategy by placing the strategic charitable giving conversation at the fore. Mark (pg.19) is an example of this, “I am finding more and more opportunities on the charitable side: working with nonprofits, with foundations, and dealing with donor advised funds. I find I am leading with philanthropy.” He points to the demographics of an aging baby-boomer population in Canada and the much-anticipated intergenerational transition of wealth as reasons that his strategy is solid. “I think there are going to be lots of opportunities to plan, so it’s a great time to be in the planning business.”

Dealing with primarily HNW clients, Brenda (pg.22) sees this trend as well. “We certainly see that charitable giving is becoming a natural direction for HNW families in Canada. For many clients, rather than family members, it’s the charities who are named as primary beneficiaries of wealth transferred when a matriarch or patriarch dies.”

## KEEPING THE ‘BOOK’ INTACT

How wealth is passed on to charities is significant to the financial advisor’s revenue stream. Depending on the options that a client chooses, there is a risk that portions of the advisors managed ‘book’ will be depleted or lost. With a focus on charitable giving and his penchant for working with local community foundations, Bob (pg.18) indicates he has found this to be the case. He states that his work has resulted in “lost money” to his book of business.

Other planners indicate that with the proliferation of the in-house foundations with the option for DAFs, the opposite is true. The use of DAFs has become a strategy for them to keep money on their

# RESEARCH FINDINGS: GOOD FOR BUSINESS

books and not lose management of the funds. When dollars are committed to the in-house foundation, the financial institution continues to manage those funds for at least a decade, and sometimes in perpetuity. Wayne (pg.26) has helped clients create “perpetual trusts” of this kind and describes them as “extreme success stories from a revenue perspective”. He explains, “you can’t lose money if it’s in your hands for your lifespan, or greater than any lifespan. The financial institution continues to manage this foundation for a perpetual period of time. This is the ultimate revenue source.” This is particularly true for those advisors with an aging clientele. Intergenerational wealth transfers ensure that these monies will exit the advisor’s books in three possible ways: to government through taxes, to the client’s family, or to charity. DAFs offers advisors an approach that maintains management of the funds when clients choose to make donations to charity.

## WORK-PLACE PLEASURE

Helping clients with those goals they are excited about is reported to increase job satisfaction. Advisors listed reasons of “intellectually stimulating”, “honing specialized skills”, “relieves tedium of the humdrum”, “feels good”, “is fun”, and cutting through the “cynicism” as important attributes of strategic charitable giving. One advisor insists that because of the values-based focus of her firm she “loves going to work”.

Glenn (pg.25) is a good example of an advisor who credits philanthropy for increased work pleasure. “When I show a concept to a client or a donor, and they understand and go ahead with it and make a gift, I’m not sure if the charity gets more excited, the client gets more excited, or I get more excited. And I really think its me.”

## THE ‘STICKY’ BUSINESS

Whether strategic charitable giving excites a client; whether financial planning based on philanthropy inspires loyalty, and in some cases sometimes loyalty that extends beyond the lifetime of the client to the second and third generations in families; or whether the deep-values based conversations generate referrals and attract HNW individuals to their practice - advisors agree that philanthropy creates a “halo effect”, or what advisor Patti (pg.17) calls a ‘sticky business’. By having meaningful conversations about issues clients care deeply about, professional advisors inspire confidence in clients that they are trusted, competent and concerned with their client’s overall wellbeing. This generates future referrals and long-lasting loyalty. Having a values-based conversation, whether it generates a gift for charity or not, is important in creating a solid, well balanced planning business model.

***Having a values-based conversation, whether it generates a gift for charity or not, is important in creating a solid, well-balanced planning business model.***

**This research illustrates that the much-anticipated and massive intergenerational wealth transfer has started to occur in Canada. In tandem with this transfer of wealth, professional advisors interviewed for this research report a surge of interest in philanthropy by clients. Implications of these shifts are far-reaching. The following are some of the major groups who will be interested in the implications of these two increases in activity.**

## PROFESSIONAL ADVISORS:

Since they play such an important role in brokering the charitable wealth transfer from donor to donee, professional advisors are advised to gain a solid understanding of the philanthropic sector. In order to offer a full suite of financial advice they will be expected to have enough knowledge to speak comfortably on the topic of philanthropy. Failing this, in order to meet the philanthropic needs of their clients, professional advisors would be well advised to find other professionals specializing in the nonprofit and charitable sector to collaborate with. Turning a blind-eye to the sector is a mistake: all those interviewed agree that it is perilous to the professional advisor's business to ignore the charitable intent of clients.

## CHARITIES:

It is equally vital for charity representatives to understand the important role professional advisors play in philanthropy. In order to be on the receiving end of donor generosity, nonprofit executives and fundraisers are advised to continue to create and strengthen relationships with those key advisors that have invested the time and energy into better understanding the philanthropic sector. In addition, staff working in charitable organizations would benefit from gaining a solid understanding of the strategic charitable giving vehicles available and used by professional advisors. This would assist them in pointing donors towards the type of professional philanthropic advice required, depending on circumstances and what they are hoping to achieve with their donations. Further, charities should be referring their donors to those professional advisors open to directing their charitable funds to any type of charitable foundation, rather than advisors that insist on in-house foundations from which that advisor stands to gain trailing commissions (more on this below).

## FOUNDATIONS:

A range of opportunities exist for donors wishing to explore foundations as a philanthropic option, including establishing a private foundation, or setting up a donor advised fund at a community foundation or within a financial institution.

Through the use of in-house foundations, financial advisors can assist the client in achieving their charitable pursuits and at the same time maintain the funds on their books thereby gaining trailing commission for the lifetime of the DAF. While this can be a valid solution to a client's needs, the implications of such in-house foundations is that it is more beneficial to financial advisor's business practice that funds be directed to their own financial institution for long-term management rather than to a community foundation or directly to other nonprofit organizations. This is an important consideration for all parties.

For community foundations, this implies that while there could be a threat on the horizon, their strong relationships with donors, coupled with their deep understanding of the greatest needs of the community, are their greatest assets. Their connection to community is exhibited by the strong history and importance of community foundations to Canada's social development, and through the more recent systematic methods of assessing local need priorities through initiatives such as the local "Vital Signs". Vital Signs is a national program led by community foundations and coordinated by Community Foundations of Canada that leverages local knowledge to measure the vitality of communities and support action towards improving collective quality of life ("The Philanthropic Conversation," 2014). Donors will surely support community foundations if they continue to see the type of leadership these institutions have demonstrated in their communities over the decades. Without that deep-seated commitment to understanding needs and improving quality of life in communities, donors could justifiably be swayed to entrusting their philanthropic dollars to those individuals that helped them to achieve their wealth – their financial advisors with their in-house foundations.

# IMPLICATIONS

These findings did not specifically seek out informed opinion regarding private family foundations, and those interviewed rarely raised this as an option they present for their clients. This is clearly an oversight; there are currently 5,743 private foundations in Canada, a slightly higher number than the 5,065 public foundations, and the number is growing (“Canadian Foundation Facts,” 2018). In addition, private foundations have higher assets (\$41.02 billion) than public foundations (\$32.01 billion). However public foundations make almost double the total dollar amount of grants that private foundations do annually. When granting dollars are examined by percentage to assets, public foundations give 11.4%, more than double the 5% granting by private foundations. A more in-depth examination of why private foundations were not cited by professional advisors as a standard option for strategic charitable giving is suggested in order to gain a better understanding of the interplay between foundations and philanthropy in Canada.



## DONORS:

Some clear implications for donors arise from the findings of this research. While professional advisors create strategic charitable giving plans, donors need to understand that not all advice comes without some self-interest. Those with the least vested interest in the philanthropic process are the tax accountants and estate planning lawyers. These professionals are simply selling their services; they would not benefit from purchases of financial products such as insurance policies, and would not have an interest in steering charitable funds to an in-house foundation rather than to a community foundation or directly to a charity. There is arguably not much self-interest from financial advisors that are willing to steward strategic charitable giving towards community foundations, or directly to other nonprofits.

In most cases, the trusted financial advisor that stewarded business transactions and wealth planning decisions over the course of a client’s lifetime is the perfect choice for stewarding the next stage as the client transitions from acquisition to disbursement. However, the donor should be wary of the financial advisor who insists that strategic charitable giving plans be directed exclusively to in-house foundations, since this is clearly the option most beneficial to that advisor, and may not necessarily be in the best interest of the charity or of the donor’s charitable intent.

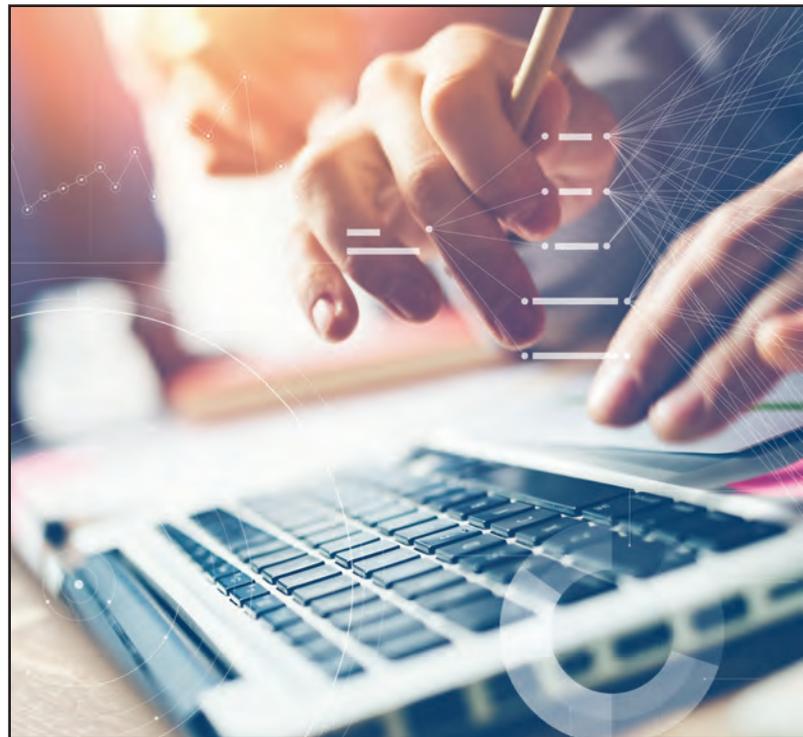
This research examined the value proposition of the inclusion of philanthropy in the business practices of professional advisors across Canada. This was an appreciative inquiry in the sense that we interviewed a select subgroup of professionals who were identified by their peers as having successfully incorporated strategic charitable giving in their practice – due to limited time and resources, we did not study the greater population of professional advisors in order to gain a better general understanding of why there is a disconnect between client and advisor perception, as identified in the earlier study *The Philanthropic Conversation: Understanding Financial Advisors' Approaches and High Net Worth Individuals' Perspectives* (“The Philanthropic Conversation,” 2014). This question continues to be worthy of further investigation.

A heightened role of education is apparent in the implications of this research. Professional advisors are advised by their peers in this report to educate themselves on strategic charitable gift planning as this becomes an increasingly important part of their role as trusted advisors to their clients. Charity leaders and fundraisers are equally urged to seek education on the strategic charitable giving vehicles in order to best direct donors to those professional advisors most suited to their charitable intent. Donors are urged to equip themselves with at least a rudimentary sense of what is required to fulfil charitable intent, so that they can source the best advisor for their particular charitable purposes. What type of knowledge needs to be made more readily available across these areas of expertise? How can this learning and knowledge-sharing best take place? Which institutions or groups are best placed to ensure that effective cross-pollination of knowledge takes place?

Also of interest is an examination of the implications of this research to strategy planning for organizations within the philanthropic sector: are financial institutions well-placed to meet the needs of their clients? Are foundations, both public and private, sufficiently positioned to meet the needs of future donors with charitable intent? Do charities have sufficient staff trained and ready to meet the demands of increased relationship-building with professional advisors? Do we know what a ‘best-case-scenario’ charity/professional advisor relationship looks like? As indicated above (pg.17), examining why private foundations were

not cited by financial advisors as a possible option for strategic charitable giving is suggested in order to gain a better understanding of the interplay between foundations and philanthropic advisors in Canada.

And finally a thought to the accountability of the sector. Are there enough checks and balances in place to ensure that a donor’s charitable intent is accomplished in a manner that is not biased towards self-service? If so, how can we promote or support transparency in the system to ensure that it remains unbiased? If not, how could checks and balances be put in place, and whose responsibility would those be?



***...these are professional advisors with a distinct difference: they have a reputation for having successfully incorporated strategic charitable gift planning and philanthropy into their business practice.***

# PROFESSIONAL CHAMPIONS OF PHILANTHROPY

**KIM ABBOTT, VANCOUVER, BC  
PATTI DOLAN, CALGARY, AB  
BOB GOLDBERGER, TORONTO, ON  
MARK HALPERN, MARKHAM, ON  
JEREMY HAMPSON, MONTREAL, QC  
IAN LEBANE, TORONTO, ON  
BRENDA LEE-KENNEDY, TORONTO, ON  
MURRAY NEILSON, VANCOUVER, BC  
PAM PRIOR, BURNABY, BC  
GLENN STEWARDSON, HALIFAX, NS  
WAYNE TRUSCOTT, CALGARY AB  
STEPHEN WEBB, WINNIPEG, MB  
ROSS YOUNG, CALGARY, AB**



# KIM ABBOTT CPCA

**vice-president and director, sales and business development  
Odlum Brown, Vancouver, BC  
27 years in profession, 6 years in charitable planning**

## “Mainstream and integrated”

Kim has seen a shift that was not as evident 5 years ago. “There’s such a prevalent conversation about philanthropy now that never used to exist.” Her firm is responding in a systemic way: now when Kim is hiring a new advisor, having a sensibility for philanthropy is a requirement for their firm. “It’s almost a necessity today and it’s something that we look for as far as what our people are doing.”

This is because philanthropy is becoming more of a daily discussion, and not just for the wealthy. “I think clients want to have this conversation. I think advisors really need to show their value of how they’re developing the next layer and peeling the onion with clients. Some have great relationships with clients but they may never have asked questions about philanthropic needs or connected emotions to what they feel about their money. And some may naturally be givers and might be doing something separately that the advisor doesn’t even know about. So what we’re trying to do in the firm is make it more mainstream, more integrated.”

Odlum Brown has decided to shift the conversation to happen early in the relationship, when they are first getting to know their clients. “We’re going to add it onto our discovery template, to find out about the giving piece and about how clients feel about philanthropy. I want to make sure that philanthropy is something that is firmly instilled in our conversation with people. It’s how you, as an advisor, portray yourself, and there’s a bit of a leadership opportunity here.” Kim points to the firm’s many sponsorships and to her own work with the Vancouver Foundation as leadership opportunities in the philanthropic sector their firm has embraced.

Creating a long-term legacy might mean that the donor funds are still managed under your umbrella through a donor advised fund, but sometimes that money leaves. Kim maintains that those dollar losses are only temporary. “Money may leave, but it’s still a win-win from a goodwill perspective. Goodwill that is created through philanthropy more than offsets any losses.”

**PROFESSIONAL  
CHAMPIONS  
OF PHILANTHROPY**

# PATTI DOLAN

CFP, CIWM, FCSI, RIAC, CIM

**portfolio manager**

**SAGE Connected Investing, Raymond James Ltd, Calgary, AB**  
**31 years in profession, 10 years in charitable planning**

## “Business as a lifestyle”

Responsible investing is the focus of Patti’s business, so there is a natural alignment of her clients’ values and investment. The SAGE Connected Investing team donates 10% of profits back to the community, their advisors are involved in the community, and everything that they do has a focus on philanthropy. “Our clients know that money has an end result and so the conversation about philanthropy just naturally progresses as a part of responsible investing. My clients are attracted to our team for this specific reason. When we set up our first meeting we have an agenda, and as part of that initial meeting we introduce the concept of philanthropy. There are all sorts of different conversations that we’re having that make philanthropy part of what we do when we’re talking to a client.”

Since the advisory team is dealing with individual values, the conversations that they have with clients go very deep, and often they are dealing with generational wealth. “There is definitely the technical side to all that we do but it’s the soft side that builds relationships and you end up with what I call a ‘sticky’ business. In a lot of cases, with my HNW clients, I have 3 generations of the wealth; this shows you the staying power.”

Donor advised funds are one of the giving vehicles that the advisory team uses, but with a difference: they manage the funds within the foundation using responsible investing, and here again this aligns with the client’s values “so its kind of a double bonus for them.”

This attraction of clients based on values has had a powerful effect on the team’s business. “The team is very much involved in the community so we walk our talk. From there it’s a natural extension; we are very much involved on boards of nonprofits and the business grows from there too. We have attracted very like-minded people and the foundations refer each other as well. While it is definitely a business, its also a lifestyle”.

Patti assures me that they have worked hard to achieve their goals, and that they don’t take success for granted. But she also stresses how much fun she has going into the office each day. “Its really interesting how it has unfolded on a referral basis, so it is as if there is a telegraph system out there. There is that connection that is happening. Its hard to explain, it just happens in a magical way.”



**PROFESSIONAL  
 CHAMPIONS  
 OF PHILANTHROPY**

# ROBERT (BOB) GOLDBERGER

MBA, CPA, CMA, CFP

vice-president and investment advisor  
Richardson GMP, Toronto, ON

26 years as an investment advisor, 10 years in charitable planning

## “My whole soul lights up”

When Bob speaks about philanthropy, he doesn't just speak in terms of benefits to his work; you can hear from his voice that this is also his passion. “I've been doing investment for 25 years and it doesn't provide the same level of endorphins or dopamine that I get when I have a conversation with people that involves philanthropy. It's like my whole soul lights up, and I can talk for hours about it.”

Philanthropy changes the shape of the client focus. “They talk in a different way, and they communicate with a different vision in their mind. It is no longer just about them asking ‘Am I going to be okay? Am I going to have enough?’ Now it's ‘I want to help other people’. I think having those conversation is what brings hope and opportunity that you don't get in the normal discussion about investments.”

Bob believes that providing clients philanthropic strategies that resonate with them is part of a holistic package all planners should be offering, even if they experience a financial loss. “Philanthropy is something that has impact for (clients) so I don't think you can measure this in quantitative terms. I think it is strengthening the relationship I have with my clients; I think these clients are much more bonded to me and want to continue the relationship for a long time, but in terms of financials? I have never sat down and calculated but I can guarantee that I lose money.”

To Bob, philanthropy is a vehicle that adds meaning to his client's lives. “I provide some structure and guidance on how to go about it in a disciplined way that will give them good feelings about what they are doing, and it enhances their life. It changes their feeling about themselves, about society, about what can be done, and this is all sounding a little corny but you know that's what's happening. Now they're seeing things in a different way.” This is true for the client's family as well, and he tells his clients “At some point you're going to want to gather your entire family over a cup of coffee and chat about where is this year's money going to go. This is something you and your family can enjoy together. Philanthropy teaches us that we're not just here for ourselves.”

Bob's bottom line on philanthropy in his practice? “You're changing people's lives. You give people opportunity and hope, and ultimately what could be better than that?”



PROFESSIONAL  
CHAMPIONS  
OF PHILANTHROPY

# MARK HALPERN

CFP, TEP

**president & CEO**  
**WEALTHinsurance.com, Markham, ON**  
**27 years in profession, 20 years in charitable planning**

## “The priceless halo effect”

“Most people spend their life focusing on their success in terms of building up their wealth and then they transition from “success” to what I call “significance”, says Mark. “A person can’t just keep on making more money. At a certain point there is a realization that there is going to be some sort of a disposition, that there will be a tax event, and the best time to deal with that is to show clients with clarity how their money will be disbursed.”

He maintains that professional advisors have both the responsibility and the opportunity to discuss philanthropy, and to help clients strategically evolve significant tax events into significant wealth transfers to charities. “There is going to be this huge transition of wealth. The baby boomers just started turning 65 in 2011. There will be a transition in business, real estate sales, and trusts that are turning 21 years old and so will require shutting down, and there are going to be lots of opportunities to plan. So it’s a great time to be in the planning business.” Talking with clients about philanthropy taps into their “hearts and dreams” which might not equate to direct dollars, and yet it “creates this halo effect that affects your business. It makes you a trusted advisor acting more as a guide to them which clearly gives you an added depth of relationship. And that’s priceless.”

Mark describes his part in putting together a strategic charitable plan in football terms: “the first time you coordinate a gift, and you know the client and see the actual recipient, and you know that you were the quarterback behind that? That’s a rush – a dopamine rush. It’s amazing. I’m responsible for millions on millions of dollars of charitable gifts, but I couldn’t personally have written those cheques.”

He sees strategic charitable giving as increasingly becoming a part of his business model, and is especially enjoying working collaboratively with other professional advisors to steward charitable gifts. “We’re living in a period of “hyper-specialization”, we can no longer be everything to everybody, and so we have to be collaborators that partner with other specialists.” Mark includes charity professionals in this collaboration, indicating that the added benefit of working with charities is “passion sells.” In his experience “there are not a lot of passionate people out there. People want to be associated with people that are passionate about something, especially when it’s benefitting something like charity.”



## PROFESSIONAL CHAMPIONS OF PHILANTHROPY

# JEREMY HAMPSON

CFP, CLU

senior wealth advisor

**Assante Capital Management & The Donor Motivation Program, Dorval, QC**  
**23 years as a wealth advisor, 20 years in charitable planning**

## “Touching the soul of the client”

When placing philanthropy into the context of his professional life, Jeremy tells a personal story of his family’s journey after his younger sister was diagnosed as brain injured and handicapped. They turned to community nonprofits for support, which led to a lifelong commitment by the entire family. “As a teenager I started volunteering to help out with activities and fundraising, and as I moved into my career as a financial advisor I started realizing that I had a lot of expertise in this area, and that I could give back to those same nonprofits. And here I am some 20 years later, still sitting on Boards and fundraising, and it really is a part of my life.

Jeremy’s insider knowledge of nonprofits helps him relate the difficulties these organizations have in raising funds and how much is accomplished with very little. “It actually blows me away every single year, with the charity I support, when I’m working through the annual budget, what they are able to do. I tell my clients that its more than just about tax strategies, dollars and overhead: its about the impact charities make on lives.” He finds when he focuses on impact, his clients light up. “What I find is that this almost touches their souls.”

While business revenue generation for his practice was not his primary motivation for incorporating philanthropy in his practice, he has found that he has benefited over the years. “All of a sudden I found that people are a lot more open to purchasing different types of products, mainly insurance policies.” Jeremy also points to other benefits such as the deeper relationships he has developed with clients, and to the defensive nature of offering philanthropic services: “If I’m not talking to them about it, someone else probably will, and as opposed to me making money I’m actually at the risk of losing a client.” In addition, philanthropy has helped Jeremy to establish a niche in a competitive environment. “If you understand tax and you understand philanthropy today, you’re in the minority. That really gives you a competitive advantage on the business side of things, and the open doors to clients who are very well-heeled. So that is definitely good for business. It’s a way to differentiate yourself from everyone else out there.”



**PROFESSIONAL  
CHAMPIONS  
OF PHILANTHROPY**

# IAN LEBANE

LL.B., LL.M., TEP

**vice-president, tax and estate planner  
TD Wealth Advisory Services, Toronto, ON  
28 years in profession, 12 years in charitable planning**

## **“Philanthropy makes me a better lawyer and a better estate planner”**

Ian views the inclusion of philanthropy in his business practice in two ways. One is the personal satisfaction that comes with seeing funds transferred to worthwhile causes. He says “These funds help make communities better places, wherever that may be, in my city or elsewhere.”

The second is that it adds value to his clients, which enhances their perception of services offered by his firm. Strategic charitable giving strategies are one possible solution to a problem many of his high net worth clients share. “I deal with clients who have such large wealth that it’s sometimes too much, and they’re not comfortable with their children getting all of it, or depending on the family dynamic they worry about depriving their kids of motivation. Philanthropy is a really valuable tool in the arsenal of estate planning when you have wealth that is perceived to be damaging to family members.” Charitable giving adds a “bright spot” to estate planning, helping to pass on values to the next generation. “Clients want their kids to join them, they encourage their kids to participate in choosing charities, to see how the money is stewarded, and if they have their own foundation to put their kids on the governance board. So I see that as a trend. As this generation leaves the scene, they want to make sure that the next generation isn’t just thinking about themselves.”

The additional consequence of philanthropic planning is seen in client family dynamics: “It’s a great thing for the family to come and to talk about these things and brings the families closer, especially if they don’t live in the same city. In fact one of the nice things about foundations is that they have regular Board meetings, which is when the family can get together; it’s a reason to bring the family together.”

Ian stays involved in the philanthropic sector by speaking at public events on topics such as the importance of having a will, or making sure to donate shares in-kind. Staying involved in the community in this way continues to help him in his practice. “All of those things make me a better lawyer and a better estate planner. I think all advisors should have charitable giving in their arsenal. You’re doing a disservice to clients if you are not able to either offer it yourself or able to steer them in the right direction to someone who can.”



## **PROFESSIONAL CHAMPIONS OF PHILANTHROPY**

# BRENDA LEE-KENNEDY

CPA, CA, TEP

partner

PricewaterhouseCoopers LLP, Toronto, ON  
26 years in profession, 16 years in charitable planning

## “Philanthropy is rapidly changing the sector”

While Brenda does not necessarily believe everyone is a philanthropist, she does feel that professional advisors have an obligation to initiate philanthropic conversations, and that this is especially true for the wealth and tax planning accountant. “I don’t just see the sliver of wealth that’s being managed by the investment and money managers. And my legal colleagues say to me that they can only plan about what they know, since clients aren’t always forthcoming about everything they own. Accountants have the advantage of seeing the big picture. I do think there is a responsibility associated with providing philanthropic services as a part of that larger plan, as opposed to just answering questions should they happen to come up.”

When asked about trends in the financial industry, Brenda points to the significant change in the way that the post-war baby boomers are planning to distribute assets. “There is just so much wealth that has been accumulated and they are not wanting to transfer such a large portion of their wealth to their heirs. They are not denying their heirs participation in a part of their estates, but they are unwilling to give all of that wealth to their families, and want to mitigate the issues that come along with passing along a tremendous amount of wealth to a small nucleus of people. And they want their wealth to have a direct and positive impact on society. So it is not unusual anymore to have a significant part of an estate pass to charity rather than primarily to the family inheritors.”

In her practice, some clients are also realizing they have more than enough wealth to last them their lifetime, so they are increasingly comfortable directing their gifts during their lifetime in addition to when they pass. “It’s no longer an exclusive discussion about testamentary charitable giving, it is also about lifetime giving as well. That’s an obvious shift in the past few years.”

Brenda has witnessed other changes. “Philanthropy is no longer just a discussion that happens in December, around the kitchen table, about what charities to give to, with or without the next generation present. It has gone to a higher level.” She has seen the financial services sector respond to these changes as clients demand more specialized services. “We’ve seen an evolution in the wealth investment sector where financial institutions have undertaken to create their own philanthropic vehicles in the form of private foundations in order to accommodate their clients’ desire to extract their wealth and give it to charity. So there is real sense of ‘Hey, let us get into the business of philanthropy’. There is a whole industry that is being built around philanthropy.”

**PROFESSIONAL  
CHAMPIONS  
OF PHILANTHROPY**

# MURRAY NEILSON

CFP, CLU, CHFC, FEA

**business development**

**Nicola Wealth, Vancouver, BC**

**41 years in profession, 8 years in charitable planning**

## “Binding the client relationship”

Murray thinks that people who give away money are happier people. “I think it is generosity of spirit, and I think that people that are not generous in spirit are not as happy as people who are.” When he speaks with well-off clients he finds that for many, “giving is not even on their radar screen.”

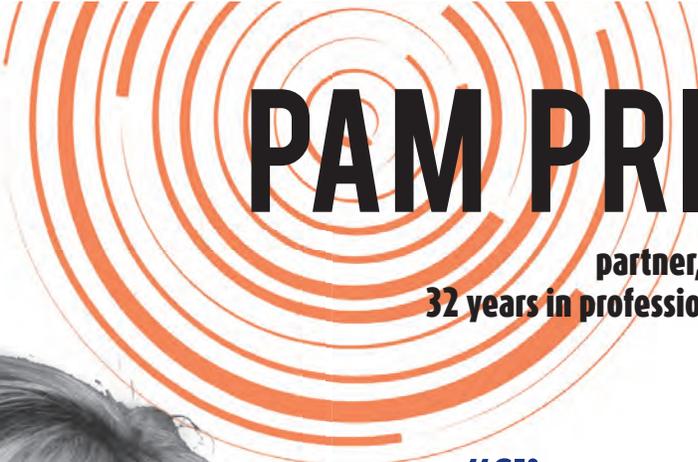
He finds way to introduce the conversation after he shows clients their projected wealth at life expectancy. Then he talks about disbursement: “I would say in this size of an estate there is going to be a fairly hefty tax bill on your death, so the money can only go 3 places: to your family, to your government and taxes, or to a charity.” He proceeds to connect tax vehicles, getting involved philanthropically, and helping to change the world. “A lot of people haven’t made that connection. I have lots of clients who don’t really have an interest in charity but because we’ve shown them the tax benefits, over time they get quite excited about it. Then they start having a soft spot in their heart for the charity.”

While clients often worry that their money might not be spent wisely when they donate to charities, Murray points to the impact created by the use of charitable donations. He uses his own giving as a role model for his clients. “I have some goals about how much I want to give away each year, and I talk to clients about the impact of these funds in the community. Someone might think that a big donation is \$500, I want them to know that it should be \$5,000 or maybe it should be \$20,000 or maybe \$100,000, or maybe even a million dollars.”

He finds that these conversations bind his client relationships tighter and increases the value he provides as an advisor. In addition, he finds that some philanthropic solutions help to bind families closer to each other. Murray illustrates this with an example: “We suggested my client take some of her money and put it into our foundation, and appoint her kids as trustees to talk about the distribution of that money. This is a great way at keeping the kids linked together in harmony with a common cause and a common purpose, and a way of the money not being directly placed in their hands - by having it go to charities to make the world a better place.”



**PROFESSIONAL  
CHAMPIONS  
OF PHILANTHROPY**



# PAM PRIOR

CPA, CA, TEP

partner, taxation, KPMG, Vancouver, B.C.;  
32 years in profession, 10 years in charitable planning

## “Client perspective is key”

When Pam first started her career over 30 years ago philanthropy wasn't a large component of her practice. Her big “aha” moment came to her when a client decided to give all her wealth away to charity. Planning for this client provided insight into the added service that she could provide the client. “To me the client perspective is key. She had no children. When I got involved I realized that here was a client who was giving everything to charity when she passed away. However, I was able to show her that it is much more efficient from a tax point of view to start making gifts to charity in her lifetime.” The turning point for Pam was that by helping her client strategize tax benefits to giving within her lifetime, she found there were great personal benefits for her client that neither had anticipated “What turned out to be more important was seeing her gifts in action during her lifetime. I saw the pleasure that she got in terms of witnessing the social good that was happening.”

Since this first encounter with charitable planning Pam has seen interest within her clientele grow: “I see more interest in private foundations, more interest in donor advised funds, we're seeing a number of the financial institutions starting to set up DAFs, and I see donors are becoming more discerning in terms of where they want to give their money, and I see less interest in endowment gifts, as opposed to current gifts.

Pam has found that it's important clients see the social good that they support. More and more Pam is seeing an interest in social impact investing, and clients are interested in how to measure impact. “So it's not just giving time or dollars to charity, but now also figuring out the difference it's made.” Impact is not always simple to measure, and so her firm has appointed a Chief Impact Officer: “She is helping our clients in trying to measure the impact of their philanthropic investment. This is something that is starting to evolve and we are evolving with it.”

From an accounting business perspective, Pam sees herself as always seeking ways to add service and value to her clients. “I'm helping clients get the biggest bang for their buck in terms of their charitable intent. I think philanthropy is alive and well. I think it is going to continue to be an important part of our overall work, as individual's wealth continues to grow there is more interest in charitable giving and giving back, and I don't think that's going to stop any time soon.”



**PROFESSIONAL  
CHAMPIONS  
OF PHILANTHROPY**

# GLENN STEWARDSON

CFA, CFP

**financial planning advisor**

**Assante Capital Management & The Donor Motivation Program, Halifax, NS**

**24 years as a wealth management professional, 10 years in charitable planning**

## “There’s magic in giving”

“Philanthropy is the guiding light of my business”, says Glenn. “I’ve moved away from the idea of being a financial advisor who can help people into retirement, grow their assets and make sure that they don’t run out of money, to an advisor who spends his time actively looking at opportunities to help clients make an impact on their community, and support them and help them with creative ways to make that happen. When we change our mindset of what we’re actually supposed to be doing for clients, that’s where the magic happens.”

Glenn’s tips for starting the conversation include zeroing in on taxes. “If you get the opportunity to look at a client’s tax return, (and by the way, all advisors should be doing that) this is what you look for: Do they have capital gains? Are they triggering capital gains? Do they have dividends, which means they have stocks that are outstanding? And finally, do they give charitable donations? There are the things to look for.” Then he zero’s in on the “important” stuff.

Glenn credits his love of his work largely to philanthropy. “I get to have a conversation with them that doesn’t have anything to do with ‘the markets’ or their rate of return. I get to talk about their impact, I get to talk about their desired legacy, I get to talk about things that are outside of their portfolio returns. I like that part of it. I really enjoy having a deeper conversation with clients about what they care about and just opening up to their potential impact, what they want, or what it could be in the world. So that’s fun.” It’s also good for business. “In my experience, some of the most successful business owners and some of the most successful advisors are the ones that are focused on charitable giving. The more we help our clients to give away, the better they feel.” How does Glenn feel when a donor gives away money that he is managing? “If \$100,000 comes out of their portfolio, then the magic of “the more you give the more you get” concept is that somehow I will end up getting another client, another referral, another cheque, another deposit - something else will make up multiple times for that dollar loss to the books.”



## PROFESSIONAL CHAMPIONS OF PHILANTHROPY



# WAYNE TRUSCOTT CFA

**vice president and senior investment counsellor  
BMO Private Investment Counsel, Calgary, AB  
29 years in profession, 10 years in charitable planning**

## “Going above and beyond”

Wayne understands philanthropy from both the advisor and the donor perspective. “Since I have no children, all my assets will pass to charity in due course, and so how do you incorporate that in the course of your lifetime? Ultimately I am well aware that there is a tax efficiency created by doing regular donations or philanthropic pursuits over the course of my lifetime and not to leave it to the end.”

Since Wayne’s client base is made up of high or ultra high net worth individuals, this personal understanding of his own circumstance helps in navigating the conversation. “The fact of the matter is that most of my clients have excess funds well beyond what they wish to have pass through to their children. So there is quite a bit of charitable intent within a portfolio like mine, and then its really taking that conversation and expanding on it to whether a client is truly philanthropic, or whether they are simply writing a cheque for tax purposes on a year-to-year basis.” He is finding that many clients are interested in more than simple cheque-writing. “With high net worth clients, I see more of the intent to give back to the community, or to give back to society, because they have done well in their own life.”

Philanthropy becomes multi-purposed when you couple charitable intent with benefits to families. “It’s is not at all about intergenerational wealth transfer, it’s also about the intergenerational transfer of morals and values, and how to educate your children, and more importantly your grandchildren, on how to give back to society, how to give back to communities. Through private family foundations you can achieve that goal and bring your children and grandchildren to that process so that they can, in future, continue to lead the philanthropic pursuits that were started generations before them.”

For Wayne’s business, estate planning and philanthropy becomes intermingled very quickly, and that just leads to more conversations. Not every client is going to be philanthropic. Not every client is going to have the same wealth. Through communication professional advisors should be able to identify those clients for whom it is important, and be prepared to help them with it. “Its simply about trying to be the type of advisor that goes above and beyond what we’re doing on paper.”



**PROFESSIONAL  
CHAMPIONS  
OF PHILANTHROPY**

# STEPHEN WEBB

B.A., CSC

**financial and investment management**  
**Entrust Financial Services, Winnipeg, MB**  
**27 years in profession, 6 years in charitable planning**

## **“Give with your heart, but use your head to make it smarter”**

Stephen considers philanthropy to be a “lifestyle decision” for most of his clients. He recognizes that people “give with their heart”, and takes them a step further by helping them develop a gift plan to help make their giving wishes more meaningful and effective. “A financial plan consists of several smaller plans including retirement, investment management, tax, and estate plans. So when you add a charitable giving plan to a financial plan clients quickly see that they are all integrated and interdependent. Your taxes are related to your investments, your investments are related to your retirement plan, and your retirement plan is related to your estate plan. Everything is connected.” He says, “If your plan isn’t taking into consideration the regular and periodic financial activity of giving away money or assets as charitable gifts, which in turn provides an impact on an individual’s taxes, then you’re not providing as careful or comprehensive financial planning as you should.”

As most of his clients give gifts each year, he tries to develop the concept of an ongoing gift plan with a vision for ten years ahead, and sometimes a plan to “Give To 100”. This longer-term approach allows his clients to give more efficiently and generously. Once clients are assured they have enough money to take care of their own needs, they are able to contemplate how they will distribute their remaining assets between people that they care about, causes they care about, and Revenue Canada. He described a typical planning outcome for a client in her sixties who annually gives \$5,000 to charity: “Once she knew that she had enough money for her own needs, we were able to develop a strategy which would allow her to continue supporting the causes that meant so much to her. She also realized additional financial benefits including a strategy to manage her substantial unrealized income tax due to capital gains.”

Stephen considers philanthropic advisory as a valuable characteristic of his practice. “Every professional advisor looks to define that most important question, “How am I adding value to the relationship with my client?” We are coming into an age where there is commoditization of many different things, including advice. By demonstrating the value of your advice, you don’t have to worry about commoditization. You are demonstrating advice, based on your client’s reasons for giving and that cannot be replaced by a robo-advisor.” Stephen considers this added value and personalization as critically important to his business. His specialized knowledge in charitable giving has helped him stand out in a competitive field. “I’ve become more of an expert in a niche marketplace, and having the depth of resources and knowledge available through CAGP is invaluable. I will have one or two calls a month from either a donor or a charity that has been referred to me, and they say ‘I heard you that you were just the person who might be able to help me.’”



## **PROFESSIONAL CHAMPIONS OF PHILANTHROPY**



# ROSS YOUNG

CA, CFP, FEA

**estate planning and wealth transfer**  
**Secure Capital Management LTD, Calgary, Alberta;**  
**19 years in profession, 18 years in charitable planning**

## “Breaking down silos”

For Ross, philanthropy is part and parcel of the estate planning and wealth transfer package. “From the very beginning my parents have been very philanthropic, both in time and assets, so I’ve learned that from a very young age.” With a business focused on estate planning and wealth transfer from one generation to the next, integrating philanthropic conversations doesn’t just fit his personal values; it’s also good for business. “It fits in well in overall estate planning, it fits in well with the people that I’m dealing with on a daily basis, and I think it also really deepens the conversation and the relationship.” Ross adds “When you’re having those deeper conversations about philanthropy there are definitely strategies that get put into place from a charitable perspective that translates into dollars for me.”

Ross finds it particularly rewarding when he pulls together all of the professional advisors - the accountant, the lawyer, and the financial planner – to create a plan together. He enjoys this collaborative process of breaking down the silos between them to discuss what the client wants to achieve. Ross feels that the holistic nature of planning is where real value can be brought to the table for the client, to ensure that in the process of business transactions the client’s philanthropic goals are realized.

Incorporating philanthropy is valuable, but it can be a long process and doesn’t always result in immediate financial benefit: “Having the deeper conversation really demonstrates to a client that I care about what’s important to them and care about helping them achieve their goals”. The value of these deep conversations is not to be under-rated. Ross has found that “ability to get referrals to new clients from existing clients” increases significantly after having strengthened the relationship with a client, and he warns that the reverse is also true: “by not having these conversations you risk losing some of your best clients and future referrals.”

Ross sees a gap in the formal education and professional development of advisors related to philanthropy, which may lead to hesitancy discussing it with clients. He notes that by not understanding the importance of incorporating philanthropy into their practice advisors miss the opportunity to demonstrate value to the client by producing a more holistic estate plan; miss the opportunity for having meaningful connections with their clients (which translate to increased referrals); and miss the financial opportunities that are a product of philanthropic conversations. Even when they are not aware of missed opportunities, he has seen some advisors drawn to philanthropy only after losing a client, causing them to say to themselves “Okay, well, now I’ve really got to learn this stuff.”

**PROFESSIONAL  
 CHAMPIONS  
 OF PHILANTHROPY**

All professional advisors interviewed agree that having incorporated philanthropy into their practice has strengthened and solidified their business in ways that goes well beyond increased revenue. These values-based conversations have an impact on their practice with virtuous ripple that are described as creating a “halo effect” or helping advisors to create a “sticky business”.

## CLIENT LOYALTY:

Having philanthropic conversations poses an opportunity to thoroughly engage with clients. Including charitable giving in the discussion of inevitable wealth transfer helps clients consider the future beyond tax implications, often resulting in the inclusion of spouses and heirs in deep, and meaningful communication. The philanthropic conversation provides clients with the opportunity to share values with their families. The knowledgeable advisor can show them how their wealth can support those values over decades and perhaps even centuries. Professional advisors describe the strategic charitable giving process as one that binds client’s loyalty to their service with such strength that the loyalty sometimes spans across several generations.

## BRAND:

Sharing their passion for charitable giving has garnered professional advisors attention in their communities. Charity professionals gravitate to those advisors with a sensibility for charitable giving, generating referrals to new clients and to other charities. Having these meaningful conversations with donors opens up planning opportunities that potentially benefit the client, or solve problems for the client, and at the same provide benefit to the advisor and to charities. Providing solutions to clients is what financial advising is all about and philanthropy widens the solution options.

## BOTTOM LINE:

At a time when interest in philanthropy is on the rise, garnering attention as experts in charitable planning is proving to be a boon to business. Professional advisors interviewed have experienced a shift, and see a future of greater activity in philanthropic activity. With the benefits of DAFs and in-house foundations, they see charitable planning as a means to creating a triple-win: they are helping clients achieve significant and meaningful goals; they are adding to and benefiting their own income; and the work that they do helps to support charity in their community and beyond.

## CREATING A “STICKY BUSINESS”:

In a changed revenue landscape that is fee-based and much less transactional, *relationships* are the new currency. In a professional advisor’s business practice, philanthropy is like a glue to help keep the books intact. It is a relationship glue that binds their clients, and their children and grandchildren, to the firm’s services. And to some philanthropy is the attractor of new clients in a firm’s quest to create a “sticky business”.

In short, helping donors and charities do good is in turn, good for the professional advisor’s business.

1. **The Philanthropic Conversations: Understanding the Financials Advisors' Approaches and High Net Worth Individuals' Perspectives**
2. **A Guide for Professional Financial Advisors**
3. **Starting A Foundation**
4. **Planned Giving: Your Guide to Legacy and Estate Planning**
5. **Vancouver Foundation Professional Advisors Webpage**
6. **Vancouver Foundation Professional Advisors Tools and Resources**
7. **Donation Calculator**
8. **Education on Strategic Charitable Gift Planning for Professional Advisors**
9. **Community Foundations of Canada**
10. **Toronto Foundation Professional Advisors Toolkit**

# APPENDICES

# APPENDIX 1

## RESEARCH QUESTIONS FOR INTERVIEWEES

**This is exploratory qualitative case study research, not a survey. You will be encouraged to speak at length on each of these questions, and may branch out into topics that are not anticipated prior to conducting the interview.**

**For the purposes of this research, philanthropy is defined as “the giving of time or valuables for public purpose” (L. M. Salamon, 1992).**

Can you tell me why you included philanthropy in your practice?

What about the client perspective?

Was there an “aha” moment? Or has philanthropy been a constant thread throughout your practice?

What difference has the inclusion of philanthropy made to your practice?

Can you provide a sense of the difference philanthropy has made in dollar terms?

Do you see incorporating philanthropy in your practice as your philanthropic contribution; or is that in addition to personal support of your community and civil society?

In a business that is commission based, how is philanthropy incorporated in your practice?

What skills, training, or expertise does it take to make room for the inclusion of philanthropy in your practice? How did you manage to acquire this? Was this training or mentoring difficult to find, or fairly available?

What are the biggest challenges in incorporating philanthropy in your practice?

Biggest successes?

What trends for philanthropy do you see in the financial planning sector? Do you have a sense of the future of philanthropy in Canada?

If you were starting out as a budding financial planner or accountant today, what advice would you give your younger self with regards to philanthropy?

### A GATEWAY PRODUCT

I'd been dealing with a client for over 10 years, she had entrusted me with a small amount of money. I find that people don't always tell you everything that they've got. I met with her to initiate the discussion of retirement and estate planning. This was a few years in advance of retirement and I wanted to make sure she was going to be okay. She came to that meeting with a stack of material and handed me five different brokerage account statements, her tax return, and then asked "Is this some of the information that you need?" I quickly did the math on the numbers and realized that she had well over a million dollars that she had never told me about.

On examining her tax returns I realized that she was gifting to charity \$5,000 per year. She said she'd been doing that for years and was committed to continue for a long time. Looking at her securities investments I also noted that she had a large and looming tax problem. I said to her "You're going to come into retirement in the next 5 – 7 years and when you retire I'd like some of that tax problem to go away so we can create a more tax effective retirement income stream for you."

After crunching the numbers I told her that if she donated \$115,000 of her shares she would be able to continue her charitable giving until she was in her mid eighties. By using the charitable receipt she would offset additional taxes from the rest of her portfolio. This would allow her to draw a more tax efficient retirement income in the years to come. It was like hitting a reset button on the unrealized income tax in her portfolio.

When I presented my plan to her, outlining her continued support of her charities and tax efficient retirement income, she looked

over my proposal and said, "Hmmm. I'd like to do it but could I do a \$150,000 gift instead?" I said yes, of course you can do that. I then recalculated and advised her, "This will now be enough money to allow you to make indexed gifts until you're 96 years old." With this plan she secured all future gifts for the rest of her life. She would never need to worry about running out of funds for this charity, and as the gift was projected to be indexed at 3% she could rest assured that her gifts would continue to give \$5,000 each year in "real" terms, 20 years from now.

This plan ensured that she had enough money to continue to support the cause that she cared about throughout her retirement, and assured her that even if she dies before the age of 96 her plan would be able to continue without her. This plan is good news for the charity as they now know that they will continue receiving her donations on a regular basis for years to come, and possibly beyond my client's lifetime. Finally, this plan provided the client a number of ancillary financial and tax benefits.

I had provided my client with a Donor Advised Fund, which I refer to as a "gateway product". Now that my client looks at her giving in a different way, perhaps she will consider depositing more to her Donor Advised Fund account by committing any future surplus investments, or committing other funds she has been considering for a bequest. The point is that she now has a simple but effective estate planning and charitable giving tool at her disposal. As she becomes older and perhaps less able to manage life's financial complexities, having her Donor Advised Fund will make some tasks far simpler for her. (Stephen Webb, pg. 27)

# APPENDIX 2

## EXAMPLES OF STRATEGIC CHARITABLE GIVING PLANS

### CHANGING THE ADVISOR MINDSET

Donors that attended an event held by a local charity where I was speaking asked me for advice on what to do about the RRIF income they could see coming in 2 years time. They did not need the additional income and wondered if I knew of a way to reduce their taxes and taxable income.

In my discovery conversations with them I found they have a stock portfolio with large capital gains. In completing a retirement income plan for them I recommended they transfer \$100,000 of stocks each year for 10 years to a new donor advised fund that I helped them create at their local Community Foundation. Inside this new donor fund, with my help, they create a Life insurance policy for \$2 million that would pay out after they both had passed away.

They are avoiding the capital gains tax with the yearly \$100,000 stock donations by gifting the shares directing to the donor fund.

Plus the charitable donation receipt from the gift to the community foundation fund allows them an additional \$100,000 withdrawal from the RRIF without paying taxes. The community foundation sells the stock gift and pays the annual insurance premium each year for 10 years.

This is a win-win-win and an opportunity for the donor to double their gift and at the same time reduce the overall tax burden on their RRIF withdrawals, and is an example of creatively meeting the philanthropic needs of your client and your community. When we change our mindset of what we're actually supposed to be doing for our clients, that's where the magic happens. (Glenn Stewardson, pg. 25)

### THE BIG PLAN THAT GREW

Last year we were working with my biggest client; he's a very successful individual, but was not particularly charitable. He did some cheque book charity, and was starting to do a little bit more in the way of sponsorships, but his charity was all in current dollars. I was updating his financial plan and one of the questions I always ask is "Are you interested in doing something charitable, or incorporating philanthropy into your planning?"

He started out saying "Oh, no" but then shifted to "Well, maybe", and then "Yes, okay, I'd like to leave something to the hospital in memory of my Dad." His father had died when he was quite young. We asked him "What do you want to do? Would this be a gift in your lifetime? Or a bequest in your estate?" He said, "From my estate, lets do something like \$100,000". Which is quite a substantial amount of money.

As we went through the planning we identified that he was going to have a ridiculous surplus amount of money, and he said, "That's insane. I can't leave my children that much." He also didn't like

how much tax he would be paying. So we told him he could offset some of that tax with an insurance policy.

Our presentation showed him that if he made a big donation his kids would still get a certain amount; if he did this with an insurance policy his kids would get a different amount; if he did both the insurance and the big donation his kids still get a large amount but minus \$3 million. When he saw that he said, "Why wouldn't I do this? My kids are going to have more than they need. It will only cost me \$3 million to move \$25 million to the hospital."

To make a long story short he put in place a \$10 million life insurance policy, and he's now considering leaving \$25 million to the hospital in honour of his father. We have come from the original concept of an estate gift of \$100,000, to the possibility of setting up a foundation that will be funded with \$25 million. That's the kind of impact philanthropic planning has.

(Jeremy Hampson, pg. 20)

### CPP PHILANTHROPY

Many Canadians, 65 years of age plus, are receiving CPP. If they are very successful, they won't need the money. Between a husband and wife the amount CPP is about \$25,000 a year. When they get the money they are taxed on it, and if they invest it they are taxed again. So if they are wealthy people who might also have RRSPs or RRIFs they are only ever taking out the minimum of their investments because if they take out more they will pay taxes. So they just keep on building up more tax deferrals that at some point will be taxed at 50%. That's the basis.

However if they are charitable, here is a strategic charitable giving plan. This is a way of using money that is not being used by a wealthy couple to create a large amount of philanthropic funding. If you have a 65 year-old couple they can take that \$25,000 and buy a \$1.4 million life insurance policy. The premium of the life insurance policy is \$25,000. So one way of benefitting is they can make the owner and beneficiary of that policy a charity and in this case the \$25,000 premium payments would be considered a charitable donation. In this illustration, they are no longer paying tax on their CPP, they get a \$25,000 annual tax credit, and they've already made a gift of \$1.4 million to charity.

A different scenario would this: Lets take the same \$25,000, buy that same life insurance policy, and make the beneficiary of that \$1.4 million policy a charity or foundation. The estate will receive a charitable tax receipt for \$1.4 million, saving their family approximately \$700,000 in taxes.

In the third scenario lets say the couple has \$2 million in a RRIF. Basically the kids would end up with approximately \$900k from those RRIFs due to capital gains taxes. So in this plan you take the same \$25,000 and buy the same \$1.4 million life insurance policy but this time you make the beneficiary your children. Upon your death they gain the \$1.4 million insurance payout, which is \$500,000 more than they would have from the straight-up inheritance of the RRIFs; they then donate your \$2 million tax-burdened RRIFs to a charitable DAF. Now you have \$2 million in perpetuity to distribute to charity, and they are up \$500k on the overhead from the RRIF, all based on using your excess CPP payments.

This is a saucy way of using money that is not being used and not even on anyone's radar to create a substantial amount of philanthropy. All through their CPP. (Mark Halpern, pg. 19)

## Partners

The research is a result of a partnership between: CAGP National, CAGP Greater Vancouver Chapter, CAGP Alberta South Chapter, the Toronto Foundation, Philanthropic Foundations of Canada, and the Vancouver Foundation.

## Context

This research was initiated after findings reported in 2014 flagged a significant gap that exists between HNW individuals' understanding of having a meaningful conversation about philanthropy and the financial advisors' understanding of that same conversation. The study found that clients are highly interested in discussing philanthropy and look to their advisors to lead the way. In fact while 90% of financial advisors reported that they discussed philanthropy or charitable giving with their HNW clients, only 13% of clients reported having such discussions ("The Philanthropic Conversation," 2014, p. 19). For the 2014 research two quantitative online surveys were conducted among financial advisors and HNW individuals in Canada.

## Method and the Research Question

This research was an in-depth, qualitative inquiry specifically focused on those professional advisors in Canada who have successfully incorporated philanthropy and strategic charitable giving into their practice. These are the professional advisors that are having the type of conversations about philanthropy that HNW clients claimed to be seeking.

The exploratory case study method was used to ask the question, "How has the incorporation of philanthropy impacted the business and practice of professional advisors, and what is the value proposition of this inclusion?"

## Exploratory Case Study

Yin (2008) explained: "In general, case studies are the preferred strategy when 'how' and 'why' questions are being posed, when the investigator has little control over events, and when the focus is on a contemporary phenomenon with some real-life context" (p. 1). According to Marshall and Rossman (2006) "studies focusing on society and culture in a group, a program, or an organization typically espouse some form of case study (original emphasis) as a strategy" (p. 55). Punch (1998) indicates that the "case study aims to understand the case in depth, and in its natural setting, recognizing its complexity and its content. It also has a holistic focus, aiming to preserve and understand the wholeness and unity of the case" (p. 150). These descriptions of case study remain congruent with the purpose and goals for this research.

## Semi-structured Interviews

In-depth, semi-structured interviews were sought with professional advisors who had a reputation in Canada for having successfully incorporated philanthropy in their practice.

Since the research was exploratory in nature we were looking for a variety of voices. Interviewees were purposively selected to provide

diversity in terms of geography (seeking professional advisors from across the country), types of advisors (such as portfolio managers, wealth and estate planners, insurance brokers, financial business development managers, estate planning lawyers, and tax accountants), advisor gender, size of firms, and longevity of firms (relatively new firms, to those more established).

## Interviewee Selection

Representatives from each of the six partners for this research were asked to independently submit their suggestions for individuals to interview. These suggestions were compiled and a final list was generated through a group discussion as diversity was considered.

## Interview and Analysis Process

Questions guiding the interviews were open-ended and sought to truly explore the topic, allowing room for interviewees to wander to subjects they deemed interesting or important to share. Prior to conducting the interviews a definition of philanthropy was discussed. This research used the definition of philanthropy offered by Salamon (1992) as "the private giving of time or valuables (money, security, property) for public purposes" (p. 10), with the obvious inclusion of volunteering. The inclusion of volunteering was deemed important due to the nature of some of the questions asked. A list of the interviewee questions is available in Appendix 1, page 32.

Fourteen telephone interviews were conducted between November 24, 2017 and January 10, 2018. Interviews ranged from 40 minutes to 1 hour and 55 minutes; they averaged 1 hour in duration. Interviews were recorded using NoNotes.com ("NoNotes," n.d.). The recordings were transcribed and then input into MAXQDA ("What is MAXQDA?," n.d.) for coding and analysis. A total of 612 transcription segments were coded into 24 coding groups.

## Bias and Ethical Considerations

Consideration was given to the possibility that the findings of this research might constitute a marketing boon for those individuals interviewed. Fairness and transparency were sought in the process to ensure that they were selected on the basis of recognition as leaders in the industry, and based on the requirement of diversity of interviewees. For this reason the selection process was carefully constructed prior to names being put forward. The results of this research were forwarded to each interviewee for review and correction of facts only prior to publication. There are no known or anticipated risks to the participants of this study.

## Limitations of Research

Diversity of financial advisors was considered and sought out in this exploratory examination of the business of financial advisors who had a reputation in Canada for having successfully incorporated philanthropy in their practice. The consequence of embracing the rich diversity of this environment is the recognition that generalization may be limited from this exploratory research.

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For more information on this research or on The Philanthropic Conversation, 2014 research report,  
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[www.cagp-acpdp.org/resource-library](http://www.cagp-acpdp.org/resource-library)

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