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Dealing with Strings and Families

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Planned giving officers (PGO) should become familiar with the landmark research by Prince and File (**Seven Faces of Philanthropy**, Jossey-Bass, 1994) which established a framework for donor motivation and cultivation. It provides a detailed understanding of the concerns, interest, needs and motivations of affluent individuals.

The PGO who understands these seven motivational types can create more appropriate and effective development strategies and can more properly address the donor concerns about family issues.

The motivations and objectives of the senior generation often are strikingly different than those of their children, members of the baby boomer generation. The diversity of donors and families makes for unique challenges when planning effective philanthropy. Life experience bring different expectations and values, while changes in family structure thru marriages, divorce, blended families and deaths presents difficult donor decisions.

Going thru the aging process there are losses in the later years. Retirement and the loss of a work structure, the impact of decreased health, housing and retirement facility options, finances to support retirement years, loss of assets for inheritances, loss of relationships due to deaths, and the loss of independence all effect the senior prospects family giving decisions.

The PGO and the prospect must work together to co-discover appropriate charitable strategies. It must be done with competence, fairness and integrity while understanding the prospect's philanthropic style, stage in the aging process and family concerns.

During this process the issue of passing assets to children may be raised. Or the prospect may seek children's input on a charity proposal. Prospect's may be looking for guidance or affirmation on their philanthropic decisions. Simultaneously, they may seeking professional advice.

Children may be great advocates for philanthropy or can present a generational roadblock. The PGO who has educated the donor may have to also educate the children about what their parent is considering. There are often more questions than answers when dealing

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with family concerns and many factors, most out of the PGO's control, will enter into the evaluation equation.

How do the parents view their children's financial values? Do parents wish to get as much as possible to children thru their estate plan, will the treatment be equal or unequal? Have the children been responsible or irresponsible in their financial matters? Are the parents concerned about the impact of inherited wealth on the life values of the children? Has the family structure been disrupted in a manner which calls for the parent to share assets with other family members? Do the children have an expectation of inheritance that is greater than the parent's expectations? Do the children have their own philanthropic interests? Is there a strong relationship between parent and child or is the parent the master of the final decisions irregardless of the children's input?

The PGO must remember the donor's first obligation is to their financial independence, the ability to have and consume resources during senior years. Next donor's are concerned about strategies to create a family inheritance. Lastly, donor's reflect on important social and charitable aspects of their life and how their support, both today and in the future, will create personal significance. As the experienced PGO listens to the goals, objectives and family history of each donor they often find it will lead to an appropriate charitable solutions that will fit well with the different philanthropic styles.

Dealing with donor restrictions

How individuals acquire wealth is closely related to how they give it away. Donors who may place special considerations or restrictions on their gift need to be handled carefully. The PGO must understand what is being proposed. Request the donor put their ideas in writing. Often a donor may request a "quid pro quo" out of ignorance but it is important the PGO does not mislead the about what is possible with a charitable gift.

Use approved institutional policies and procedures as a guide. The power of IRS guidelines are on your side in setting the limits on any restrictions. Often restrictions are brought up in the latter stages of the gift process as leverage to achieve a personal end. Beware that special considerations for one donor are often communicated to others creating difficult situations for all involved.