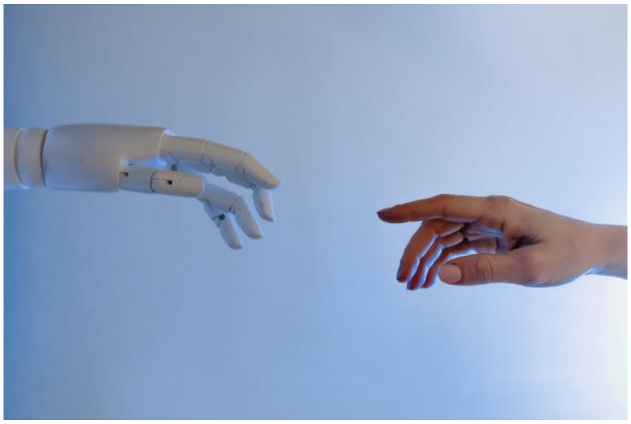
Advising Clients About AI's Impact on Charitable Giving



News about the capabilities of artificial intelligence has skyrocketed over the last few months. As attorneys, accountants, and financial advisors, no doubt you are **watching these developments closely**, both because of the potential legal issues involved and also because of the ways AI can enhance your work.

Here are three suggested discussion points when your clients ask **how AI might impact their philanthropy plans**:

– For clients who serve on boards of directors of nonprofits or work for a nonprofit, **AI could mean significant advancements in fundraising capabilities.** From research to communications, **generative AI could help fundraisers get their work done, which would be a welcome development in a profession that has been under stress due to a shortage of professionals and a challenging fundraising environment.**

– **Some of your clients may be investing in AI companies.** Pay close attention to this. **While certainly not all AI ventures will make it, some AI startups will likely be very successful,** creating huge financial gains for their shareholders. **Talk with your clients about contributing shares of these companies to their donor-advised or other funds at CCCF.** Upon an eventual exit, **the shares held by a donor-advised fund will not be subject to capital gains tax, allowing your client to support their favorite charities much more significantly than if the client waits to sell the shares and transfer the proceeds (minus the tax hit) to a charitable fund.**

– While AI can certainly help your clients research their favorite charities, and similarly will also play a role in helping charities fundraise and carry out their missions, it's important to remember that right now, in AI's early stages, **most AI results are still only as good as the prompts and instructions provided by humans**. **The key to getting the right answers is to ask the right questions, and sometimes asking the right questions is the hardest part.**

As always, please reach out to the Chester County Community Foundation for help as you serve your charitable clients. Our team has deep, personal knowledge and experience in all areas of charitable giving, from tax deductibility rules, to planned giving techniques, to understanding the needs of our community and how your clients can make a difference in the causes they care about. **We welcome the opportunity for human interaction as that becomes even more of a rarity!**

For more information, contact the Chester County Community Foundation:
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