

Counting pennies: How to counsel frugal yet charitable clients

Over the years, you've no doubt experienced a wide range of what clients [perceive](#) as "wealthy." You've likely also observed that clients have different assumptions about what it takes to be a "philanthropist." The interplay between a client's perception of personal wealth and charitable giving capacity presents interesting opportunities for client engagement. You may find yourself helping a client get comfortable with pursuing their charitable objectives while remaining secure in the knowledge that their financial plan is on track.

Whether clients choose to give to charity or [not](#) depends on a lot of factors. Here are a few themes to keep in mind as you work with clients who skew toward the more [frugal](#) end of spending practices, especially during national Make-A-Will month when estate planning may be top of mind.

Stay within budget. A client's fear of running out of money may be preventing them from investing more meaningfully in the causes they care about. When savings-minded clients express charitable intentions, you can certainly guide the conversation toward showing them that their assets, income sources, expenses, and long-term projections are in good shape and leave them plenty of room to make charitable donations. When you lay out the big picture, even your historically [cautious](#) clients may see that they truly have more flexibility than they realize.

Every gift counts. Some clients who watch every penny are concerned that giving modestly doesn't really rise to the level of "philanthropist" and might not make a difference. These clients may not realize that everyone can make a difference through [small](#) gifts, [large](#) gifts, and everything in between. The Community Foundation team is happy to help your clients get started with charitable giving at a level that makes the most sense for them, whether that's setting up a donor-advised or other type of fund at the Community Foundation, arranging for a bequest to a fund, or, for your clients who are 70 ½ and older, structuring a gift from an IRA to a designated fund to support a favorite nonprofit.

Bang for the buck. The team at the Chester County Community Foundation can help show your clients how gifts of highly-appreciated stock to a fund at the Community Foundation can avoid capital gains taxes, thereby freeing up more resources to support favorite charities than if the client had sold stock, paid the tax, and then given the proceeds to charity. Our team can also help identify meaningful giving opportunities based on each client's budget and areas of interest.

See results. By activating philanthropy plans during their lifetimes, your clients can experience the joy of giving and witness tangible returns on their investments. The Chester County Community Foundation team can arrange for a client to meet with nonprofit leaders and hear first hand the impact their money is making to improve peoples' lives. This real-time feedback also allows your client and the Community Foundation team to adjust giving strategies to more closely align with your client's evolving intentions.

We look forward to working with you and your clients. Philanthropy is meant to be fun and rewarding for everyone involved. Our team is here to help make that happen!

For more information, contact the Chester County Community Foundation:
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The team at the Chester County Community Foundation is a resource and sounding board as you serve your philanthropic clients. We understand the charitable side of the equation and are happy to serve as a secondary source as you manage the primary relationship with your clients. This newsletter is provided for informational purposes only. It is not intended as legal, accounting, or financial planning advice.

