

Getting To YES!

How to be a good partner

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Together we'll go far



Agenda

1 What is Getting to YES?

2 Who are these people?

3 Why should they work with you?

4 How can you change the dynamic?

5 Q&A

Who are these people? Professional Advisors?

Who are these people? (Professional Advisors)

- Attorneys (estate planning, tax, business, real estate, family)
- Certified Public Accountants (CPAs)
- Certified Financial Planners (CFP®)
- Insurance Professionals (CLU Chartered Life Underwriter):
- Others:
 - Wealth Advisors/Counselors
 - Investment Managers
 - Stock Brokers
 - Bankers and Trust Officers
 - Real Estate Professionals

What is a Financial Advisor?

- A financial advisor provides financial advice or guidance to customers for compensation. (*Investopedia*)
- "Financial advisor" is a generic term with no precise industry definition.
- Fiduciary distinction: the fiduciary relationship relies on the necessity that a financial advisor must act on behalf of a client in a way the client would act for himself if he had the requisite knowledge and skills to do so. (*Investment Advisor Act of 1940*)

Why are Professional Advisors Important to Us?

- Relationships
- Gate Keepers
- Power
- Approval and Consent
- Referrals

What are the Differences?

HOW DO PROFESSIONAL ADVISORS SEE THEMSELVES

- Solutions to clients
- Objective advice
- Seek to minimize risk
- High level of service
- Reputation and credibility
- Build networks
- Loyal clients
- Stay “out of trouble”
- Compensation
- Community Leaders

HOW DO PROFESSIONAL ADVISORS VIEW YOU?

- Competent gift planning professional
- Fundraiser
- Transient
- Who’s really your client
- Proposals or Template?
- Can I trust you?

So Why Can an Advisor Kill the Deal?

- Think gift plan is a poor planning decision.
- Does not match the client's goals and objectives.
- The client never told them
- Feels excluded/went around
- Doesn't understand the gift plan
- No interest in understanding
- Not involved in the community themselves
- Not confident in the investment acumen of another provider

Why Should They Work With You?

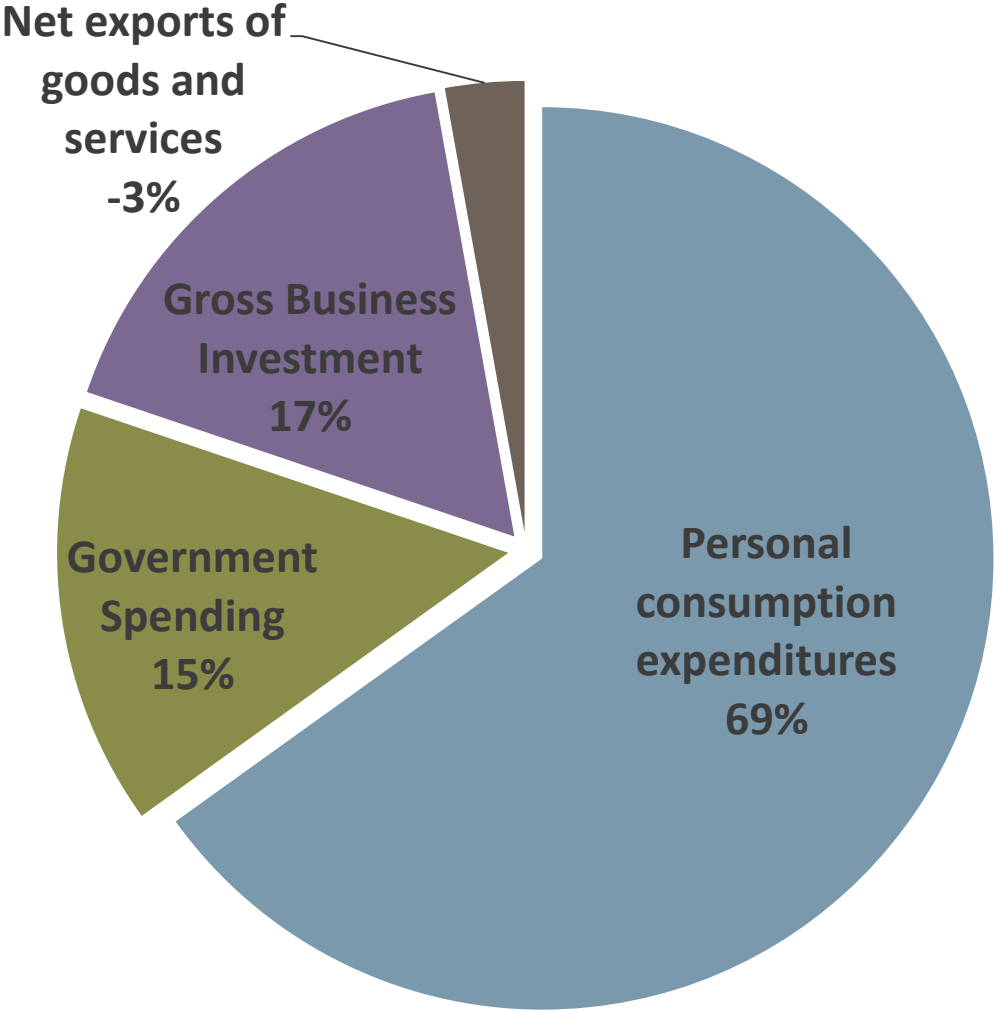
Quick facts about nonprofits (as of 12/2016)

- 1,571,056 tax-exempt organizations, including:
 - ✓ **1,097,689 public charities**
 - ✓ 105,030 private foundations
 - ✓ 368,337 other types, i.e. chambers of commerce, civic leagues, fraternal organizations
- Approximately 11.4 million paid workers
 - Represents 10 percent of the U.S. labor force
 - 3rd largest of any U.S. industry (only behind retail and manufacturing)
 - PLUS volunteers equivalent to +4.5 million full-time workers
 - The nonprofit sector would rank as the sixteenth largest economy among the 199 nations tracked by the World Bank
- Revenue = approximately \$1.8 trillion
- Nonprofit share of GDP has held at 5% since 2013

Sources: National Center for Charitable Statistics, US Bureau of Economic Analysis, World Bank, World Development Indicators Database, Bureau of Labor Statistics, Non Profit Quarterly November 2017

Gross Domestic Product Breakdown

(Q4 2017 Bureau of Economic Analysis)



Philanthropy by the numbers – who is giving?

\$390.05 billion total donated in 2016

Giving by individuals
\$281.86 billion

↑ Increased 3.9%

Giving by foundations
\$59.28 billion

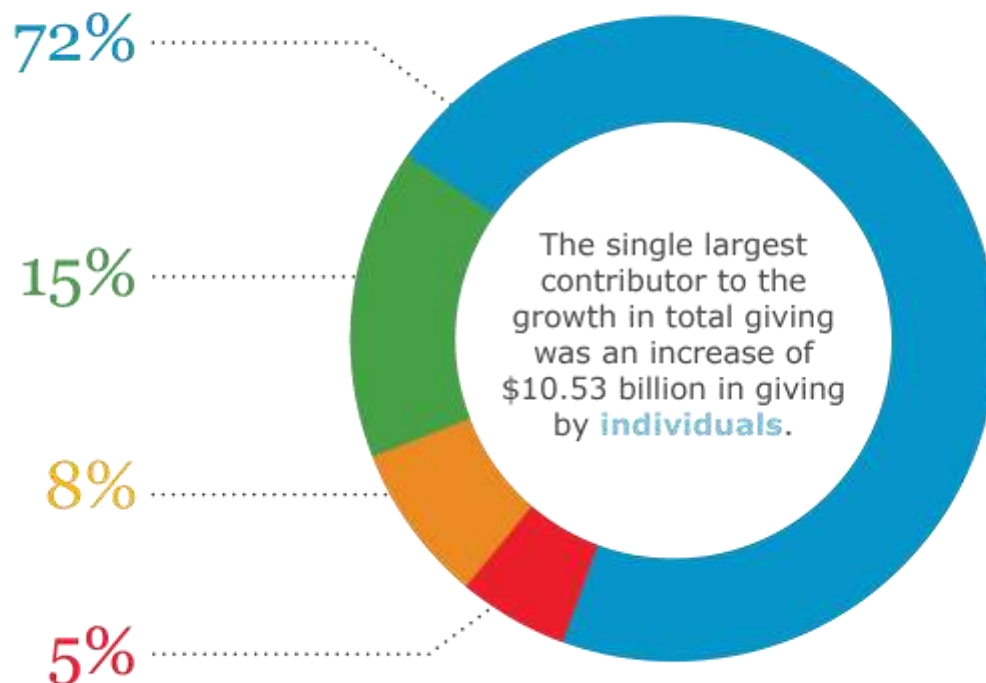
↑ Increased 3.5%

Giving by request
\$30.36 billion

↓ Declined 9%

Giving by corporations
\$18.55 billion

↑ Increased 3.5%



Philanthropic learning curve

- *“**Consider** that you will spend decades in the workforce ... Roughly 7 million minutes of your life, when you calculate the average time spent working. It **just doesn’t** make sense to invest all those years without connecting them **to your dreams**”**

Philanthropic Learning Curve (Peter Karoff)

- 6 levels of progression
- Level One – you become a donor
- Level Two – you decide to get organized
- Level Three – you become a learner
- Level Four – you become issue and results oriented
- Level Five – your philanthropy is leveraged
- Level Six – alignment

Giving Trends | High Net Worth Households

98% of HNW
households
engage in
philanthropy

Giving trends | Who is receiving and what?

- #1 – Religion at 32%
- #2 – Education at 15%
- #3 – Human Services at 12%

Increase in nonfinancial
asset gifting – why?

The Philanthropic Conversation

Our clients are talking about philanthropy, are you?

89% of advisors say they discuss philanthropy with at least some clients



55% of HNW individuals say they discuss philanthropy with an advisor

Top concerns

- **The family wealth conversation**
 - Putting a plan in place during this “greatest wealth transfer” in history
 - What impact do you want to have on your family after you are gone?
- **Retaining the surviving spouse (and portfolio)**
 - 95% of advisors have some form of relationship with their client’s spouse, yet just two-thirds of them have the spouse as their client
- **Engaging the “next generation”**
 - Building a multigenerational practice
 - Retaining clients’ children and grandchildren
- **Changing regulatory environment**
 - DOL regulations related to fiduciary obligations

Did you know:

- ❖ 90% of advisors firmly believe they’ll manage some of the assets their clients pass on to their children, but only 7% of survey respondents have their clients’ children as established clients themselves.
- ❖ Half of all advisors think they’ll manage the assets of a client’s grandchildren but 92% don’t know them at all or are only quasi-acquainted.

Source: FAs too complacent about retaining clients’ heirs. *Financial Advisor*, Nov. 3, 2016

Why talk to clients about giving?

Grow

- They typically bring in more assets

Retain

- Tend to be retained longer as clients

Discover

- Philanthropy unique as client

Who is starting the conversation?

33% of advisors say they initiate the philanthropic conversation with clients



51% of HNW clients say they initiate the philanthropic conversation with their advisor

What does the conversation sound like?

38% say they focus on charitable goals, values, and interests

41% say they focus on technical issues

Advisors

27% say their advisors focus on charitable goals, values, and interests

63% say their advisors focus on technical issues

HNW clients

Technical issues include tax considerations, wealth structuring, and similar issues.

Changing the Dynamic- A Powerful Partnership

How to Change the Narrative?

- Send in your own advisors
- Retain a consultant
- Increase your skills and reputation
- Join them
- Host CE Events
- Be a resource
- Educate
- FIND A CHAMPION or 2 or 10 or 50

Next steps



**Homework
Activities**



**Recruit a
Champion**



Plan for 2018

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Professional Experience

- Phyllis Silverstein serves as Senior Vice President and Senior Regional Fiduciary Manager of Philanthropic Services within The Private Bank. Wells Fargo Philanthropic Services helps charitable individuals, families, and nonprofit organizations work toward their unique goals by providing specialized advisory services. Phyllis leads a team of experienced specialists that provides philanthropic advice to Wells Fargo clients throughout the Southeast Region. She is responsible for enhancing our philanthropic offering to clients, helping her team deliver exceptional client service, and managing risk within her region.
- Phyllis has over 30 years of professional fundraising and development experience. Prior to joining Wells Fargo, Phyllis spent 8 years as the Vice President of Planned Giving & Endowment for the Jewish Federation of Greater Atlanta where she developed a comprehensive endowment program involving donors, professional advisors and community organizations

Education

- Phyllis graduated *cum laude*, with a Bachelor of Arts in Sociology from Florida Atlantic University. Phyllis obtained a Certificate in Financial Planning from the University of Georgia, and is a CERTIFIED FINANCIAL PLANNER™ professional.

Professional-Community Affiliations

- Phyllis is a member of the National Hadassah Foundation Board. She served as a Past President and Board member of the Georgia Planned Giving Council. Currently Phyllis is a member of the Georgia Planned Giving Council as well as a member of the Estate Planning Council of North Georgia.
- Phyllis served as a member of the CFP Board of Examinations Review committee