



Futures

A no-nonsense newsletter from The Dayton Foundation for estate planners and financial advisors

“Connecting with your clients about how and when to talk to children or grandchildren about charity can be a positive experience that enhances and deepens the advisor-client relationship.”

– Vincent L. Russell

Assisting Clients in the Charitable Giving Discussion with Children

By Vincent L. Russell, Principal & Portfolio Manager, Johnson Investment Counsel

While working with families and business owners who are charitably inclined, I often have been asked, “When and how should I start the conversation about charitable giving with my kids?” Having three children of my own, I’ve asked myself the same question.

It can be new territory for a family to broach the subject of giving, regardless of where their children are in life – from school

aged to adulthood. I typically tell my clients that it’s essential to start the conversation when their children are young. According to Carol Weisman, author of *Raising Charitable Children*, kids are capable of understanding the feelings of caring and

giving before they are six years old. By introducing the concept of philanthropy earlier rather than later, clients will help their children feel more empowered and give them the necessary context as they move into adulthood. However, it can be difficult to find meaningful ways for children to contribute.

Where to Start

I often recommend to my clients that they create an environment where giving is a natural occurrence. It’s good for children to witness how enjoyable giving can be by watching their loved ones make donations or volunteer for local charities. The action reinforces the good behavior and opens the door for parents to explain why it’s important to give back and how rewarding the process can be.

One helpful resource for this is The Dayton Foundation, our region’s community foundation that has been serving charitable individuals and families for nearly a century. My wife and I opened a Charitable Checking AccountSM with the Foundation several years ago. I’ve also partnered with

the Foundation many times to assist my clients’ charitable and financial needs, so I know the Foundation’s expertise in the area of philanthropy.

The Foundation offers a variety of fund options – from Donor-Advised Funds, Scholarship Funds and even private foundation alternatives – that provide opportunities for parents and grandparents to involve children and other family members in the giving process, now and in the future. And, contributions awarded from Foundation funds aren’t limited to charitable organizations in the Greater Dayton area. This makes it easier to include older children who live out of state and wish to contribute to their local charitable causes or organizations.

There are many ways clients can educate their children about the value of giving, whether it’s through dollars or time. Creating a charity box in the home can show how setting aside even a small amount of money can add up over time. Similarly, when my children receive

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I Believe!

donor families who have stepped forward to become the 2016-2017 “I Believe!” Partners of The Dayton Foundation. Their commitment underwrites a full year of Dayton Foundation publications, thereby freeing resources for the Foundation’s other community work.

“I Believe!” Partners: Funmilayo O. & Gideon S. Adegbile, Belinda (Lynn) A. Burns, Terri L. & William D. Duncan, Dolores L. & Robert E. Millat, Agata S. & James D. Schade

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a gift of cash for a special occasion, I encourage them to donate a portion of the gift to charity, as well as save a portion for their future.

It’s also important for children to see a direct connection between their gifts and the causes they are supporting. Visiting the charity to see its mission in action is a good place to start. By doing so, they learn more about the individuals being helped and understand the impact of their charitable deeds.

For example, my children participated in a fundraising activity several years ago to benefit a school in Honduras. They worked hard to raise funds and naturally asked to “see” where the money was going and the impact it would make on others. My wife and I decided to take them to the school, where together we served lunch and participated in the same programs that their funds helped to support. Our children saw firsthand how their efforts were making a difference in the students’ lives and shared in the joy of giving.

In Conclusion

Introducing the concept of charitable giving is a tremendous opportunity for clients to educate their children about what it means to

Seminar for Nonprofit Leadership and Board Members

The Dayton Foundation is co-sponsoring with Aileron “Stepping Up Your Governance Game” on Wednesday, September 13, from 8 a.m. to noon. Dr. Cathy A. Trower, president of Trower & Trower, Inc., and author of *The Practitioner’s Guide to Governance as Leadership: Building High Performing Nonprofit Boards*, will present this interactive session and provide practical steps to encourage more effective governance. Participants will learn more about the three ways of thinking – fiduciary, strategic and generative – needed in today’s nonprofit leadership.

The cost is \$50 for one nonprofit representative and free for an accompanying Board member. To learn more or to register, visit daytonfoundation.org/nonprofitseminar.html.

be part of a larger community and the responsibility each of us has in helping others. By making the value of charity a central role in the family dynamic, clients can help their children to grow up with a healthy sense of compassion and a strong charitable spirit.

Connecting with your clients about how and when to talk to children or grandchildren about charity can be a positive experience that enhances and deepens the advisor-client relationship. I also encourage my fellow advisors to seek the expert advice of The Dayton Foundation to better help them help their clients. 🌱

Note: Solutions will differ from case to case. The above does not constitute professional financial or tax advice.

Vincent L. Russell has more than 22 years of experience in wealth advisory services for families and business owners. He also serves nonprofit organizations with their investment and asset management needs.

Note: Vince Russell is a Portfolio Manager with Johnson Investment Counsel. The views and opinions presented in this article are intended for educational purposes only and should not be construed as a solicitation to effect transactions in securities or the rendering of personalized investment advice. The views and opinions expressed in this article are not intended to be tailored financial advice and may not be suitable for your situation. No person should assume that any advice or strategies presented in this article serves as the receipt of, or a substitute for, personalized individual advice from an investment professional. This disclaimer is not a part of the original article.

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